

Review of Missouri Lottery Operations

September 2014

Conducted by

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Review of Missouri Lottery Operations Executive Summary

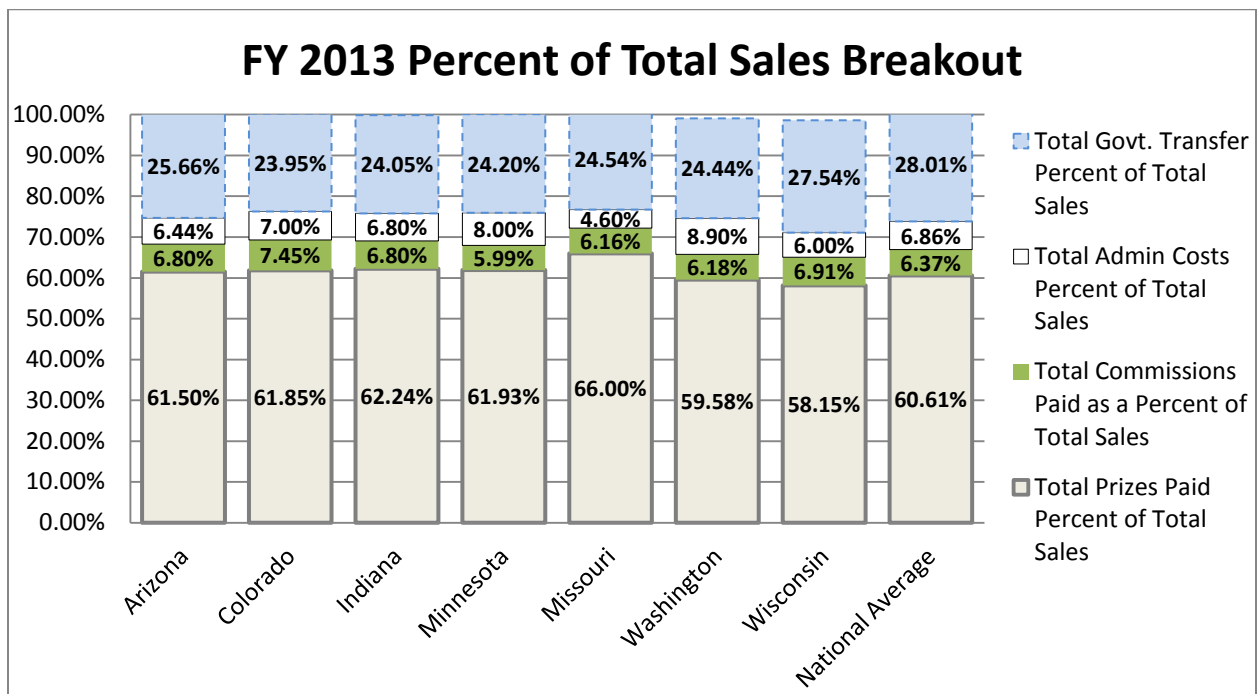
Background

Missouri voters authorized the Missouri Lottery (“MO Lottery”) and the Lottery Commission through a constitutional amendment in November 1984. The voters earmarked lottery ticket proceeds to education in 1992. Based on statutory authorization, the Commission administers the lottery and establishes prices and prizes.

MO Lottery transfers funds to education after the payment of all other lottery expenses. The largest expense is prizes to the winners of the lottery games. MO Lottery also pays retailers and contractors, state staff compensation, and other expenses from lottery proceeds. After paying all expenses, MO Lottery transfers the remaining amount to education several times each month.

From FY 2013 to FY 2014, the education transfer fell 7.4%, from \$288.8 to \$267.3 million. This decline occurred despite an increase of 1.5% in gross revenue. The growth in gross revenue was more than offset by the growth in prizes and advertising.

Over the past ten years, gross revenue has grown an average of 4.5% and the transfer to education has grown by an average of 2.5%. Prize payouts grew during that time period by an average of 5.4%. The raw data does not answer the question of whether the growth in prize payouts hurt, helped or had a neutral impact on the transfer to education. (See *Attachment 1 for ten-year history*).



*Comparison Benchmark States used by MO Lottery because of their comparability to the Missouri program include Arizona, Colorado, Indiana, Minnesota, Washington and Wisconsin

Review

On July 23, 2014, Governor Nixon ordered the Office of Administration (OA) to conduct a comprehensive review of the Missouri Lottery's ability to carry out its voter-approved mandate to provide a stable funding source for public schools.

OA, Budget and Planning (B&P) reviewed several aspects of lottery operations to better understand lottery finance trends. With a focus on the previous ten years, B&P reviewed data specific to the MO Lottery, data from all 44 state lotteries, and research by various groups. B&P specifically reviewed:

- Prize payouts
- Retailers and contractors
- Advertising and promotions
- Administrative costs, including state employees

The following report includes information on each of these topics as well as supporting information, references, and attachments.

Future Considerations – Summary

In the following report, B&P has outlined several areas for further study and possible changes in MO Lottery operations. In summary, these include the following seven items:

- Prize payouts – There is conflicting research on the importance of prize payout percentages to sales. Therefore, MO Lottery should investigate contracting with an independent entity for new analysis that would consider the importance of other variables in optimizing the amount of funds available for education from intrastate games.
- Contracts – The scratchers/instant ticket contractor has significant input into game design, including strategies on prize payout and other policy issues. It is recommended that MO Lottery investigate changing compensation in future bids to reflect profit to education as opposed to just sales.
- Contracting Procedures - MO Lottery should reduce its reliance on vendor contract extensions. Such extensions may result in the loss of efficiencies gained through competitive bidding.
- Contracting Procedures - MO Lottery should pursue greater integration of purchasing services with OA, Division of Purchasing and Materials Management (DPMM) and procedures authorized by Chapter 34, RSMo. Part of this integration might include expanding the statutory authority of DPMM to cover MO Lottery, which also resolves expired statutory requirements for lottery to contract with minority and women owned businesses.

- Contracting Procedures – MO Lottery should comply generally with the state code of regulation related to procurement found in 1 CSR 40. These regulations lay out procurement procedures for state agencies to follow, including award and administration of contracts and appropriate conduct of employees involved in procurement decisions.
- Advertising and Promotions – MO Lottery should implement a more systematic review of projected versus actual return-on-investment (ROI) and should consider suspending activities that have not obtained a positive return.
- Administrative expenses – While MO Lottery administrative expenses have been consistently low in relation to other lotteries, MO Lottery should consult with OA to ensure the lottery is maximizing potential savings through the use of OA consolidated services.

Note on Data:

- Main Data Sources
 - *Lottery Industry Trade Group*: The Missouri Lottery provided the majority of the data through *La Fleur's World Lottery Almanac* ("LaFleur's"). LaFleur's is a leading lottery trade organization who extensively publishes data, news, and other content related to the lottery industry. State lotteries recognize LaFleur as an independent entity that has provided comprehensive information since 1993.
 - *Individual Lottery Consolidated Annual Financial Reports*; and
 - *Individual Lottery Survey Responses*: Where B&P was unable to access information through the above sources, it surveyed individual states.
- *Data Completeness and Accuracy*
 - State lotteries self-report much of this data. There can be no guarantees:
 - Lotteries report data in a consistent way
 - Lotteries report only audited data
 - B&P removed or adjusted statistical outliers and facially incorrect data when appropriate. For example, some data appeared to have a misplaced decimal point.

1. History and Legal Framework of the Missouri Lottery

History

- On November 6, 1984, voters approved the Missouri Lottery by passing Amendment 5, giving the General Assembly the authority to establish a state lottery.
- The Missouri Lottery was established in SB 44 (1985), making the Missouri Lottery the 23rd lottery in the United States. Lottery sales began in 1986.
- In 1988, voters approved Amendment 3, which lifted several Lottery restrictions that:
 - Capped prize payouts at 45%
 - Capped lottery expenses at 10%
 - Required 45% of sales to go to General Revenue
 - Restricted advertising to objective information such as sale locations, prices and times, as well as prohibiting advertising in a “manner designed to induce persons to participate in the Missouri State Lottery.”
- In 1992, voters approved Amendment 11 to exclusively earmark Lottery proceeds for public education, allow statutory changes to ticket sale procedures, and exclude proceeds from Total State Revenue calculations.

Legal Framework

- Constitutional Provisions (Article III, Section 39(b))
 - Authorizes the General Assembly to establish a state lottery and provides requirements for the establishment of the State Lottery Commission.
 - Creates the State Lottery Fund. Earmarks funds for elementary, secondary, and higher education.
 - Requires a minimum of 45% of sales be awarded as prizes.
 - Provides that the Commission shall have the authority to purchase and hold securities.
 - Provides rules for retail sales licenses.
 - Provides that revenues from lottery sales are not considered part of total state revenues.
- Statutory Provisions (Sections 313.200-313.351, RSMo)
 - Provides rules for the State Lottery Commission, its duties, members, meetings, personnel, and budgets.
 - Provides regulations for the State Lottery Fund, including distribution requirements.
 - Provides licensing regulations for retailers and establishes contracting requirements. Prohibits sales to minors.
 - Provides regulations for prizes.
 - Requires the Attorney General to provide legal services to the Commission. The Highway Patrol is authorized to conduct investigations relative to the operation and administration of the lottery. The State Auditor shall conduct biennial audits of lottery accounts and transactions.

2. Expenditures: Prize Payouts

Background

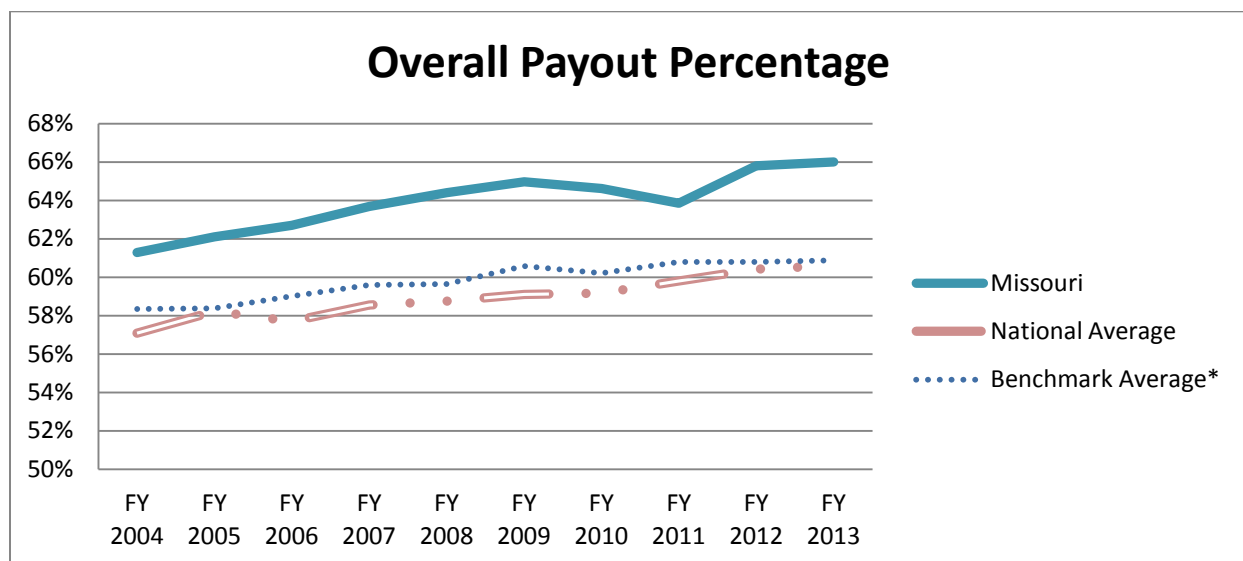
Generally, lotteries provide two types of games, instant and draw. Instant game cards (scratchers) are printed with pre-chosen numbers. Upon scratching the card, a player instantly knows if he or she has won. Draw tickets contain numbers to match against a later randomly drawn number or set of numbers.

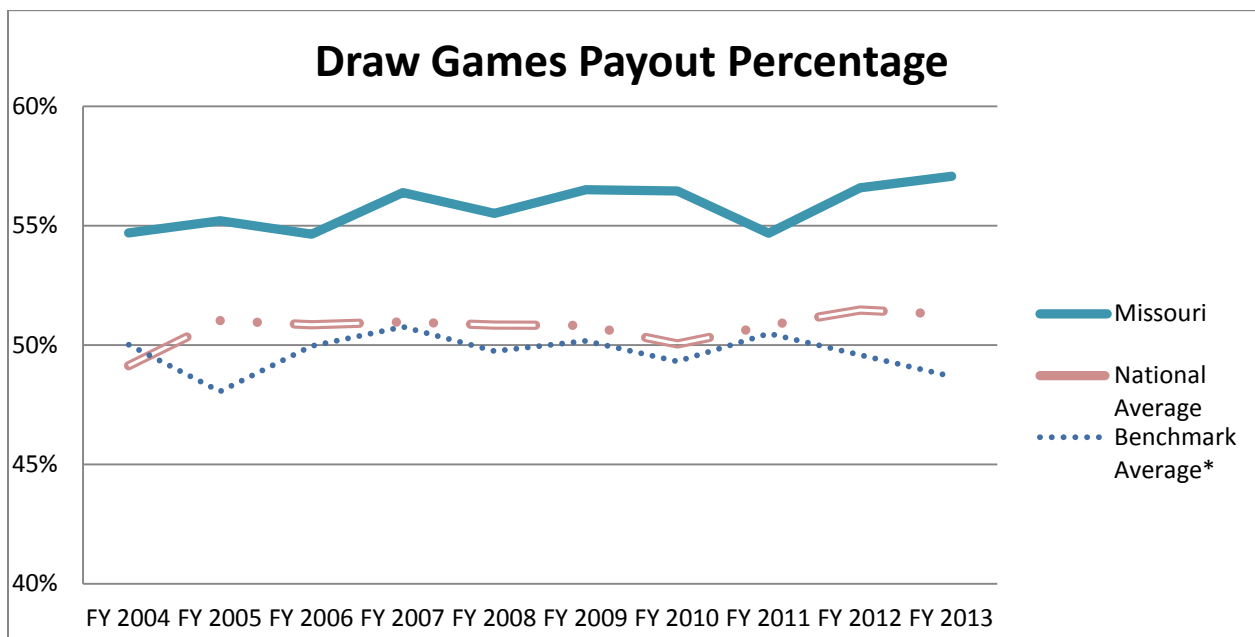
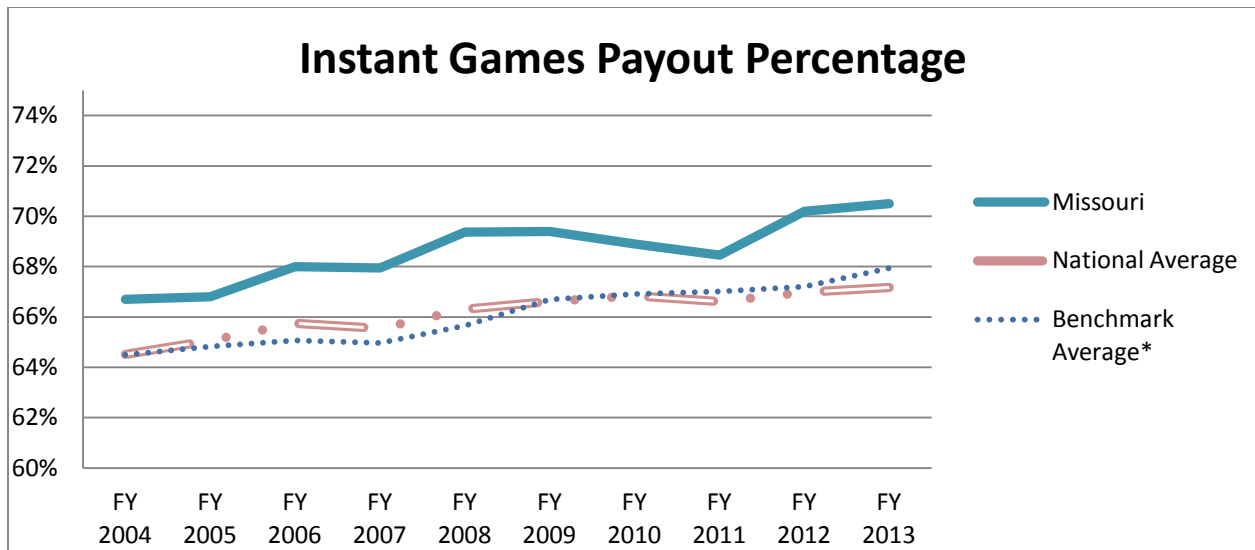
The game structure and prize payout may influence a lottery's ability to transfer revenue for state services (aka "profit") in two ways. First, the larger the prize amount, the smaller the amount of transferable profit per ticket. Second, prize payouts influence the overall level of sales as larger prizes tend to lead to larger sales. A common belief is that better player odds increase sales as well. Consequently, game designers must craft a delicate balance between maximizing profit and depressing overall sales. This leads to a fundamental question: Do higher prize payouts increase sales so that profit is bigger in actual dollars even if a smaller slice of the overall pie?

Any increase in the payouts must be less than any associated increase in sales and costs. As example, MO Lottery points to a nearly 10% reduction in Texas prize payouts as resulting in a first year 24% sales reduction with additional 22% in the following year.

State Comparisons

From FY 2004 through FY 2013, Missouri ranked from 2nd to 6th highest in overall prize payout percentage with its most recent rank being 4th. For instant games, Missouri ranked from 3rd to 13th highest, with the most recent rank being 6th. For draw games, Missouri has ranked from 4th to 7th highest, with the most recent rank being 5th. (See *Attachments 2, 3, and 4 for payout rankings*).

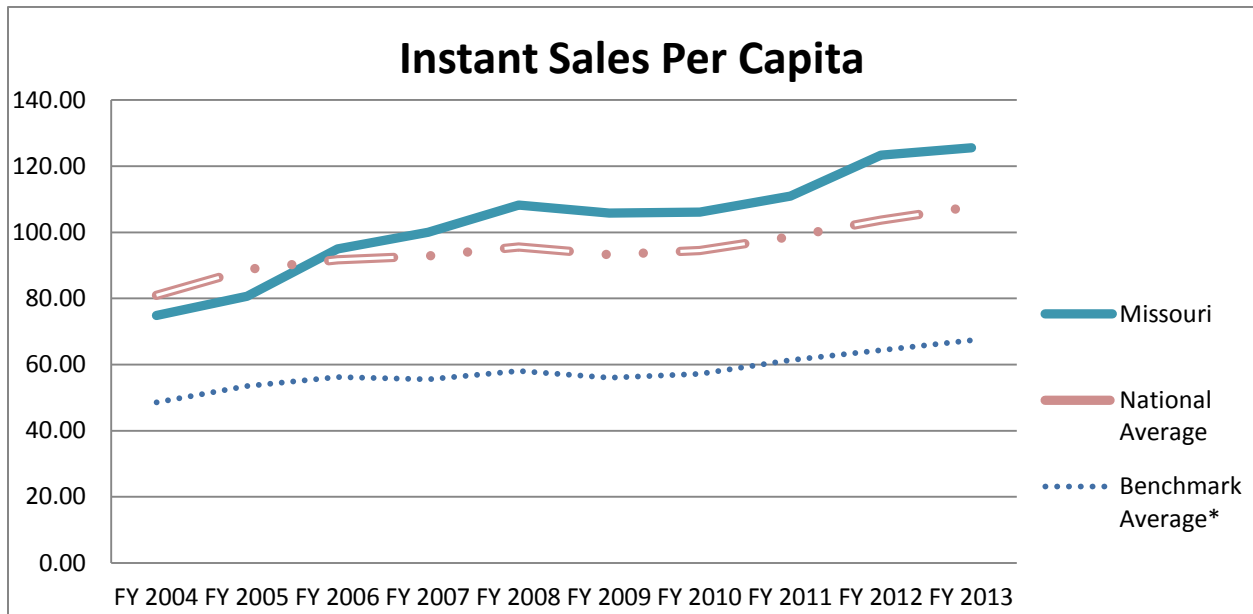
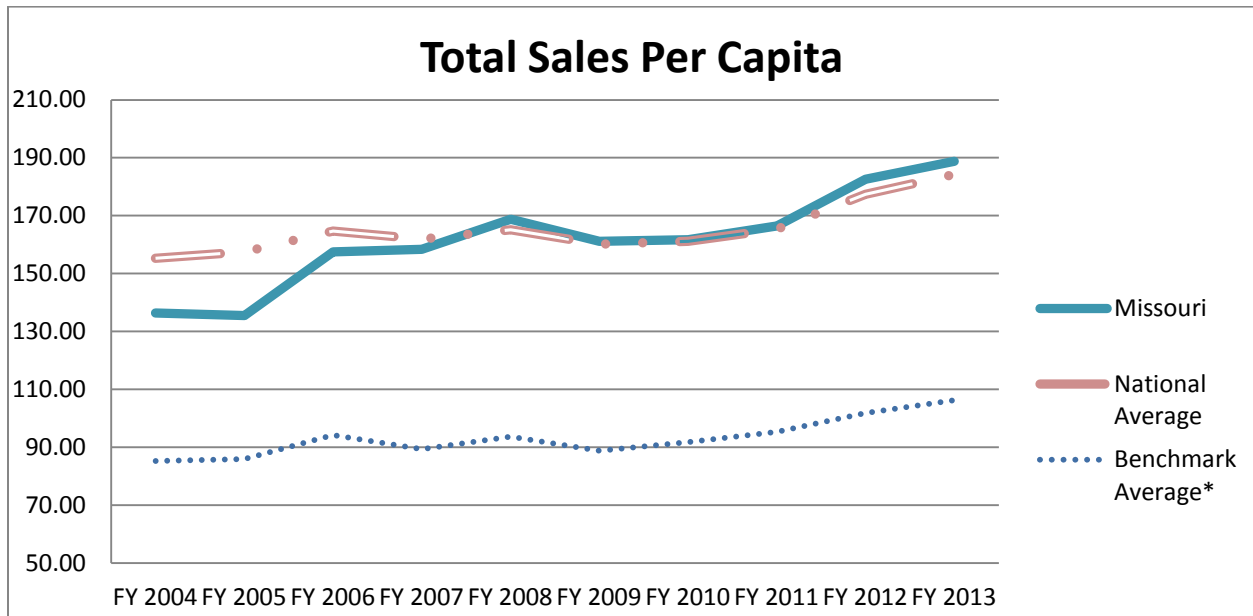


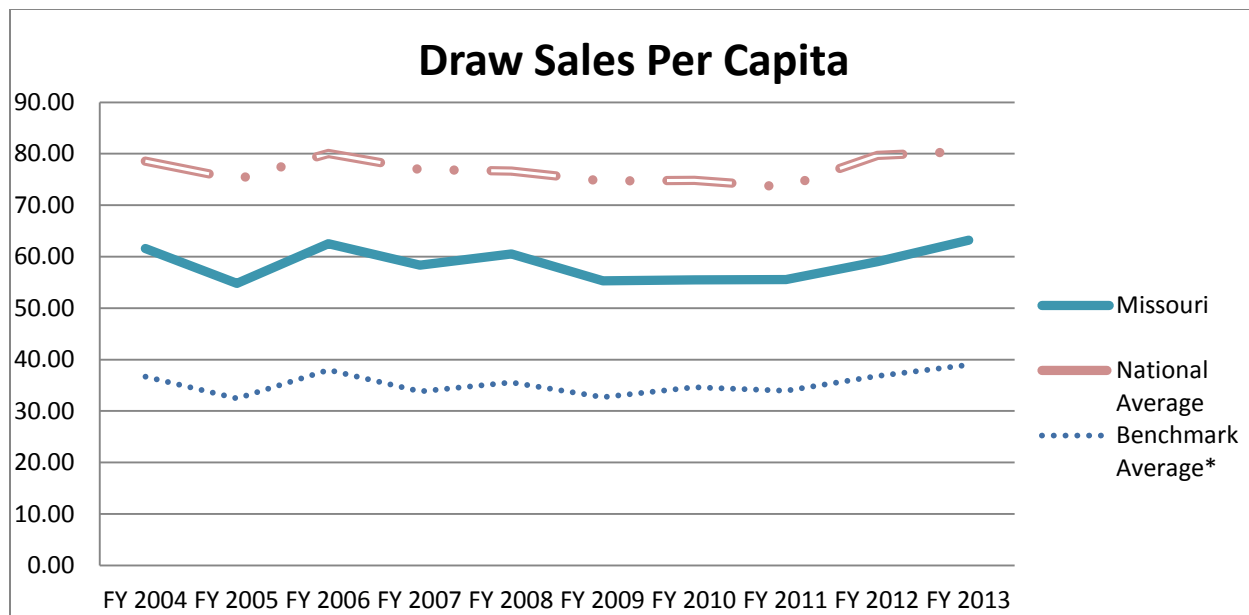


*Comparison Benchmark States used by MO Lottery because of their comparability to the Missouri program include Arizona, Colorado, Indiana, Minnesota, Washington and Wisconsin

There are many factors, in addition to prize payouts, that would influence sales per capita. However, it should be noted that Missouri is not similarly high in the per capita sales statistic as it is for prize payouts. From FY 2004 through FY 2013, Missouri ranked from 13th to 17th highest in total sales per capita, with the most recent rank being 14th. For instant games, Missouri ranked from 12th to 17th, with the most recent rank being 12th. For draw games, Missouri ranked from 18th to 21st, with the most recent

rank being 20th. (See Attachments 5, 6, and 7 for per capita rankings). A study prepared by Chang & Adams Consulting in April 2010 for the California Lottery reports that the sales per capita are generally below average in the west, plains and great lakes states and higher than average in the eastern states.





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Research

MO Lottery periodically requests analysis on the optimal payout and prize structures (but not for determining the price of individual tickets). Individual game sales data help determine when to request new payout analyses or to determine wider sales trends. For example, upon request by the MO Lottery, Mather Economics completed studies in 2008, 2009 and 2012. These studies attempted to determine the optimal payout percentage for instant games, with optimal defined as the prize payout percentage that maximizes the amount of profit (i.e., funds for education). Based on these studies, optimal payout percentages vary by game type. In the most recent analysis, Mather Economics concluded the optimal payout percentage for a \$1 ticket would be 63% and a \$20 ticket would be 78%.

In a December 2012 study, Mather Economics also analyzed data around the potential size of the payout (for example, a \$100 prize compared to a \$1 million prize). Mather Economics concluded that core gamers may prefer the middle range of possible prizes and, therefore, minor adjustments in prize payouts would not have much of an impact on sales. The non-core gamers, in contrast, may prefer the extremes – small payouts with a higher percentage chance of winning or large payouts with a smaller percentage chance of winning. Therefore, minor adjustments in prize payouts may have a larger impact on sales.

A few other states have conducted similar analysis. Mather Economics performed analyses for Tennessee in August 2007 and October 2010 concluding the optimal average prize payout percentage for instant games to be 70%. An April 2010 study completed by Chang & Adams Consulting for the California Lottery concluded that the

optimal payout rate for instant and draw games combined to be 61.9% and suggested increasing the Scratchers instant prize payout to 67% to achieve that level.

In contrast, a September 2006 study by McCombs School of Business at the University of Texas at Austin for the Texas Lottery found that, "...a higher prize payout rate is probably not necessary for higher instant sales, and a higher prize payout rate is probably insufficient for higher instant sales." The study included a regression analysis completed on games at various price points (\$1, \$2 and \$5). This analysis found that, "Although tests could only be conducted on three price points and satisfactory results were available only for some of the dependent variables in the \$2 and \$5 games, the relative importance of Top Prize and relative unimportance of Prize Payout Rate were unmistakable."

Prize Payout Decisions

MO Lottery has sole final decision-making authority regarding prize payouts and structure for Missouri intrastate games. Multi-state lottery consortiums determine payouts and structure for interstate games. Structurally, draw games are generally different than instant games in that the prize structures change less often. Draw game analyses are more likely to use game matrixes (how many numbers chosen out of the field of numbers) than the regression analysis used for instant games.

- **Intrastate Games**

As noted above, to predict an optimal payout level, the MO Lottery contracts with vendors such as Mather Economics to perform statistical regression analyses on multi-year instant ticket sales data. The analyses include price points for all games with adjustments for factors such as length of game existence. Mather Economics performed such analyses as recently as 2008, 2009, and 2012.

Mather Economics submits its completed analysis and recommendations regarding payout percentages and distribution (i.e., how to distribute prizes among the price range of tickets) to MO Lottery. The Lottery Commission does not formally vote to accept or reject these recommendations but instead relies on MO Lottery's Executive Director for the final decision.

- **Interstate Games**

Multi-state lottery organizations determine game payouts and structure for their games. The distinction between interstate and multi-state games is largely about who provides final approval of game parameters. With the involvement of multiple states, final game and rate approval is diffused among the member states. The extent of decision-making authority varies between games and individual state involvement in the games.

Mega Millions: In Mega Millions, players can play \$1 and win from \$2 up to millions; the Jackpot starts at \$12 million. The Multi-State Lottery Association (MUSL) in Des Moines, Iowa administers the Mega Millions game in terms of drawings and payouts; however, only the original 11 state members hold voting shares in the oversight and decision-making process. Missouri does not hold a

voting share. Voting is a two-step process: First round votes are one vote for each member. In second round votes, a lottery's number of votes is equivalent to its proportionate percentage of the previous year's total game sales up to 15%.

Powerball: For \$2 per play, players can win prizes from \$4 to multi-millions. The minimum Powerball jackpot is \$40 million. MUSL operates the game and uses a two-step voting process: First round votes are one vote for each member. In second round votes, a lottery's number of votes is equivalent to its proportionate percentage of the previous year's total game sales up to 15%. Only the founding 33 members of the consortium hold voting rights, Missouri is among the 33.

Future Considerations

Given the conflicting research on the importance of prize payout that is noted above, the MO Lottery should consider new analysis that would investigate the importance of other variables in optimizing the amount of Lottery Proceeds available for education from intrastate games.

3. Expenditures: Retailers and Contractors

MO Lottery's payments to outside parties flow mainly to two unique parties: retailers and contracted-service vendors.

Retailers

Retailers serve as a special link in the lottery distribution chain by providing sales location, product and promotional shelf space, and labor to sell tickets and provide payouts. Retailers provide all of this without being direct employees of MO Lottery and while paying for some services. Consequently, MO Lottery needs to provide a compensation incentive to retailers. This compensation generally is provided through two mechanisms, commissions and bonuses:

- **Commissions**

MO Lottery retailers earn five cents for every dollar of Scratchers and Draw tickets sold.

Based on information from La Fleur's 2014 World Lottery Almanac (see *Attachment 8*), all other states also compensate retailers based on a percentage of sales. The percentage ranges from a low of 4.5% (with 26 states at 5% for at least some games) to a high of up to 10% (Oregon).

- **Bonuses**

Cashing Bonuses: For cashing winning tickets that win less than \$600, Missouri retailers earn a bonus of 2% on Scratchers and Draw sales.

Selling Bonuses: Missouri retailers can receive a bonus for selling winning tickets of: \$5,000 for a Lotto ticket; \$50,000 for a Powerball or Mega Millions jackpot ticket; \$1,000 for a Powerball or Mega Millions ticket that matches all five white-ball numbers drawn; 1% for a Club Keno ticket of \$10,000 or more; and \$500 for a Show Me Cash jackpot. Sellers may also participate in contests that offer cash, trip and merchandise prizes.

Based on information from La Fleur's 2014 World Lottery Almanac (see *Attachment 8*), 33 of 44 states provide a cashing bonus. These range from 0.5% to 4% with some states only providing a cashing bonus for certain games. Selling bonuses vary, with a few states basing bonuses at least partially on increased sales.

Contractors

Like most lotteries, MO Lottery contracts with numerous private parties to provide services to and on behalf of the lottery. (*For a full list of MO Lottery contracts see Attachment 9*). The contracts of interest for this report include advertising, vending machines and related services, and scratchers. MO Lottery generally awards services through competitive bidding. However, in 2012, the State Auditor criticized MO Lottery's use of contract extensions. GTECH, for example, has current contracts with MO Lottery dating back to 2005 and no contract newer than 2011.

- Advertising

MO Lottery currently contracts with Barkley for advertising services. The contract price is 8.875% of actual net cost of media placed; in FY 2014, this totaled \$15.9 million. The contract ran October 2010 through June 2013 with four subsequent renewals. MO Lottery retains complete control over which products are advertised and how.

According to information from LaFleur's, in FY 2013, Missouri spent \$1.99 per capita or 1.05% of total lottery sales on advertising. Other states spent from 50 cents to \$4.71 per capita; the District of Columbia spent \$9.81 per capita. Other states spent from 0.1% to 3.23% of total sales on advertising. (*See Attachments 10, 11, and 12*).

- Vending Machines and Related Services

MO Lottery currently contracts with GTECH Corporation for vending services through three separate contracts. A current pending rebid would roll those three into a single contract. The current contracts started in 2005 and 2007 and have June 2012 end dates with various possible renewal periods beyond that date. GTECH provides the Missouri Lottery with instant ticket vending machines and associated services (delivery, maintenance, and relocating), computer gaming systems, satellite communication services, and ticket printing. The contractor is compensated 4.4051% of net weekly draw games sales (this covers all three current contracts). In FY 2014, the total paid to GTECH was \$16.4 million.

With the exception of Massachusetts, which owns the system outright, each state lottery contracts for similar draw game services. According to information from LaFleur's, all states compensate their draw game vendors based on a percentage of sales with the exception of South Carolina paying a fixed fee. The remaining states' compensation is based on a percentage of either total sales, net sales, or some subset of sales. (*See Attachment 13*).

- Scratchers/Instant Ticket

MO Lottery currently contracts with Scientific Games for most Scratchers services. The current contract started in April 2011 and expires in June 2014 with up to seven additional renewal years. This contract includes printing of tickets, and strategy recommendations, including game design. The contractor is compensated 0.799% of net scratchers' ticket sales and received \$5.6 million in FY 2014.

All states with lotteries have some form of contract for scratchers/instant games. However, the compensation strategy is more variable than for draw games. Some states base it on a percentage of sales, while others have a fixed fee (*See Attachment 14*).

Future considerations

The scratchers/instant ticket contractor has significant input into game design, including strategies on prize payout and other policy issues. The MO Lottery retains all final decision making authority, but they do seek and receive input from this contractor. Therefore, it is recommended that MO Lottery consider changing compensation in future bids to reflect profit to education as opposed to just sales, at least to some extent. Since this contractor cannot control all factors that would impact profits to education (for example, the amount of money spent on advertising or other administrative expenses), such a change would need to be carefully reviewed.

Additionally, MO Lottery should consider revising its contracting procedures in three ways:

First, MO Lottery's contract extensions risk diminishing competitive bidding's inherent advantages. In recent years, DPMM has moved away from more commonplace procurement practices such as automatic renewals or contract extensions in favor of more frequent, open bidding. DPMM found that renewals and extensions depress the potential efficiencies of a competitive marketplace and drive up costs. MO Lottery's current contracts demonstrate a trend toward renewal options as opposed to competitive bidding opportunities (*See Attachment 9*).

Second, MO Lottery should pursue greater integration with DPMM. Serving as the state's main purchasing agent, DPMM is a tremendous resource for information and experience. By harnessing this opportunity, MO Lottery might be able to increase efficiencies in both the bidding and implementation of contracts. Current law vests purchasing authority solely with the MO Lottery and does not require compliance with state purchasing procedures authorized by Chapter 34, RSMo, or use of DPMM. In the future, the legislature could consider modifying lottery statutes. In the meantime, MO Lottery should coordinate with DPMM. Also, the Minority and Women Owned Business (MBE/WBE) statutory requirements for MO Lottery sunset in 2005 (*see Section 313.270.6, RSMo, in Attachment 21*). Placing MO Lottery purchasing under the DPMM statutory provisions would resolve that issue.

Third, MO Lottery should comply generally with the state code of regulation related to procurement found in 1 CSR 40. These regulations lay out procurement procedures for state agencies to follow, including award and administration of contracts and appropriate conduct of employees involved in procurement decisions. MO Lottery should work with OA to ensure that its procurement processes and current and new contracts comply with these regulations.

4. Advertising and Promotions

Advertising

MO Lottery engages in virtually all common forms of modern advertising including broadcast and print media, point of sale and special event promotional items, and on-line materials. To this end, MO Lottery contracts with a private advertising agency to consult, create, and implement an advertising program. An open bid process selects the final contractor. The current contractor, Barkley, agreed in 2010 to a four-year contract with yearly renewals. Per a January 2014 agreement, the parties renewed the contract through June 2015.

According to the contract, the advertising agency is to:

- Establish a media/advertising plan with an ultimate goal of reaching the key sales results and goals specified by the MO Lottery for the contract period
- Schedule and negotiate media buys at the best rates and times available
- Measure results
- Provide status reports
- Provide creative services, including the creation and submission of advertising content to MO Lottery

MO Lottery retains approval authority of the contractor's marketing/media plan and the ability to modify, change, or delete all or any part of the plan at any time. The vendor is paid 8.875% of all media placed. This percentage is inclusive of media purchase, media production and promotional/collateral material production, and distribution.

By agreement, and more recently in specific appropriations language, the General Assembly has specified the maximum amount MO Lottery can spend on advertising. While totaling over \$3 million in FY 2004, the advertising budget fluctuated between \$1.17 million and \$2.15 million during the FY 2005 to FY 2010 period. In FY 2011, the advertising budget expanded to nearly \$8 million and then increased to \$12 million in FY 2013. (See *Attachment 10*). Although not yet reported by La Fleur's, the advertising budget was \$16 million in FY 2014. The recent increase in the advertising budget was driven by input from MO Lottery that such an increase would result in higher funding for education. Based on actual transfers to education, it is unclear if this was actually the case. In FY 2013, MO Lottery's rank was 21st in advertising spending per capita. (See *Attachment 11*).

Promotions

With the stated goals of lottery promotion, public education, and building/maintaining relationships with players, the MO Lottery participates in numerous community events. These promotions include event sponsorship or varying levels of participation. The State Auditor reported that over FY 2009 and FY 2010, MO Lottery participated in 16 local events and sponsored 45 special events including motorsports, sporting events, festivals, music concerts, and the State Fair. During that period, costs ran approximately \$818,000 for sponsorships and \$421,000 for community events.

Prior to negotiations with event staff, MO Lottery's advertising agency develops a return-on-investment (ROI) assessment for each element of a sports sponsorship. Non-sport sponsorships go through an internal MO Lottery ROI review. Since June 2011, MO Lottery has used the PINPOINT sponsorship evaluation system in determining if promotional outlays justify their expense. According to MO Lottery, the PINPOINT operating system uses algorithms to weigh factors such as event type, size, audience, and media/signage values. MO Lottery takes into account three factors when considering events:

- Will the event capture the fun desired to be associated with the MO Lottery games while offering a demonstration of Lottery products?
- Will the event be able to emphasize the Lottery's value to Missouri education?
- Will the event allow minimal exposure to an underage audience (below age 18)?

MO Lottery states that declined events tend to be smaller and lack significant media opportunities. Some events are declined due to scheduling issues. MO Lottery's Executive Director provides final sponsorship approval and events must have a minimum acceptable sponsorship return of 1:1 (however, MO Lottery tries to average 2 or 3 to 1). The system also evaluates completed events to determine final costs and benefits. (*See Attachment 15 for MO Lottery's estimate of ROI on FY 2013 events*).

After the event, MO Lottery adds any accrued costs and any additional received "bonus elements" to reach a final ROI for the event. According to MO Lottery, they do not typically track estimated ROI versus actual ROI.

The State Auditor criticized MO Lottery for failing to achieve an acceptable ROI for 10 of 16 events in the FY 2009 - FY 2010 timeframe. Additionally, during that same timeframe, MO Lottery continued to sponsor multiple events previously found to have negative ROI. (*See Attachment 16*).

Future Considerations

For both advertising and promotions, MO Lottery should implement a more systematic review of projected versus actual ROI and should consider suspending activities that have not shown a positive ROI.

5. State Employees and Other Administrative Costs

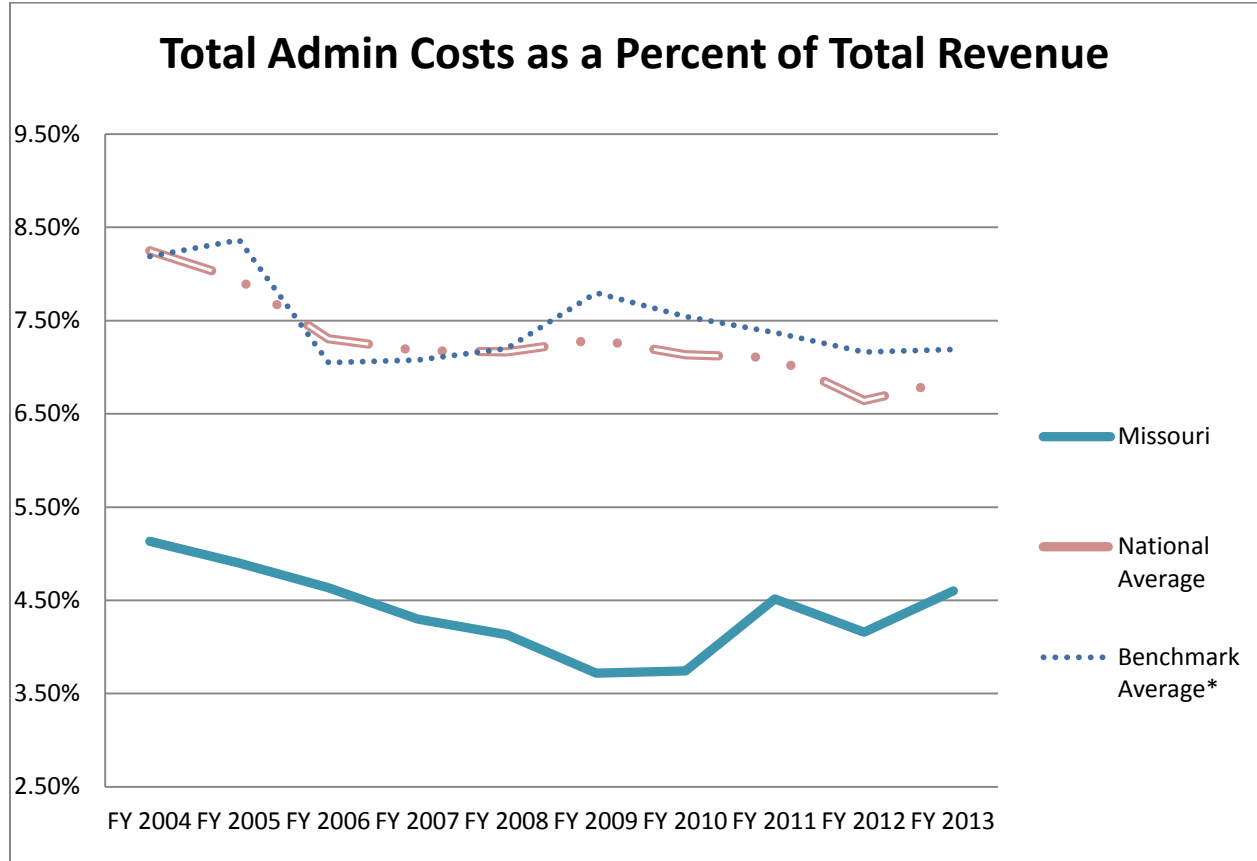
Employee Information

FY	MO Lottery Number of FTE	Salary and Benefits
2005	176.5	\$9,086,615
2006	176.5	\$8,885,702
2007	173.5	\$9,603,898
2008	173.5	\$9,800,283
2009	173.5	\$9,856,894
2010	163.5	\$9,946,081
2011	159.5	\$9,831,552
2012	153.5	\$9,378,026
2013	153.5	\$9,380,734
2014	153.5	\$9,712,143

MO Lottery currently employs up to 153.5 staff, the lowest number in ten years. Other state lotteries employ from 8 (North Dakota) to 759 (California). The average number of state lottery employees is 170. While the number of MO Lottery employees decreased over the past ten years, salary and benefits increased but by less than one percent per year, on average. In FY 2013, for the 27 states responding to B&P's request, the average lottery employee's salary and benefits was \$82,638. (See Attachment 17). MO Lottery does not provide bonuses or cash incentives to their employees. Of the 16 state lotteries who responded to inquiry, approximately half offer some type of employee incentive. For example,

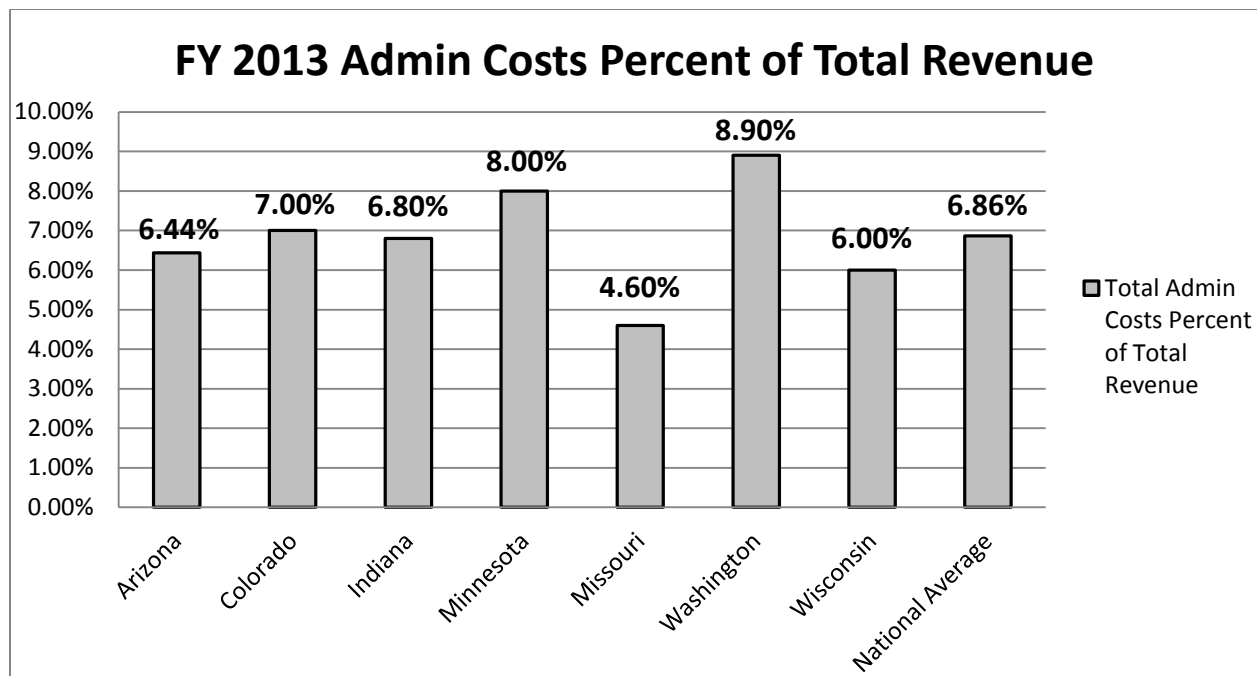
- South Carolina has annual sales goal bonuses ranging from \$2,500 to \$7,000 for certain sales and marketing employees, and
- Pennsylvania pays incentives to district lottery representatives based on how many retailers the representatives sign up.

Overall Administrative Costs



* Comparison Benchmark States used by MO Lottery because of their comparability to the Missouri program include Arizona, Colorado, Indiana, Minnesota, Washington and Wisconsin

Other administrative costs include wages and benefits, vending machine leases and maintenance, promotional supplies and services, ticket delivery, depreciation, utilities, etc. Overall, in Missouri these expenses increased by 22% over the last ten years (averaging 2.45% per year, but with significant fluctuation). There were some large percentage increases in promotional supplies and services, vending machine leases and maintenance, other professional services, and other general and administrative expenses in the last three to four years. *(See Attachment 18 for a ten-year history of administration expenses and MO Lottery's accounting of increases.)*



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Administrative Costs as a Percent of Total Revenue

For the past ten fiscal years, MO Lottery's administrative costs have fluctuated between 5.13% and 3.72% of total revenue, averaging 4.38%. The national average for the past ten fiscal years is 7.29%. For FY 2013, the range varies from a high of 15% in Maryland and Montana to a low of 1.92% in Massachusetts. As the states independently report their administrative costs, there could be variations in what states include as administrative costs. (See Attachment 19).

Future Considerations

MO Lottery should consult with OA to determine if they could reduce costs by expanding use of OA's consolidated services, such as:

- **Information Technology**: The State of Missouri's consolidated IT operations may be able to provide economy of scale efficiencies unavailable to MO Lottery as an independent entity.
- **Mailing Services**: The State of Missouri's consolidated mailing operations may be able to provide economy of scale efficiencies unavailable to MO Lottery as an independent entity. This could include bulk mailing discount rates, insertions, and central mail services.
- **Printing**: While MO Lottery already uses some state printing services, it should ensure it is using all the potential cost-saving services that may be available through state printing.
- **Fleet Management**: MO Lottery should confer with OA Fleet Management to ensure it is using all efficiencies available through state-operated consolidated vehicle pools.

MO LOTTERY REVENUE AND EXPENSES
FY 2005- FY 2014

Attachment 1

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014*	
Scratchers sales	467,326,093	550,961,109	590,045,817	638,533,775	636,574,616	638,062,954	666,315,849	742,541,015	758,900,234	767,772,917	
Draw Game Sales	297,540,450	343,402,242	326,815,671	341,870,408	325,414,169	333,801,531	334,362,557	354,886,681	381,932,924	373,342,054	
Pull Tab Sales	20,731,089	19,154,900	17,409,170	15,088,705	6,463,110	0	0	0	0	17,024,925	
Other revenues	340,957	167,767	1,395,548	649,422	596,377	50,414	523,186	1,294,455	706,055	90,620	
TOTAL OPERATING REVENUE	785,938,589	913,686,018	935,666,206	996,142,310	969,048,272	971,914,899	1,001,201,592	1,098,722,151	1,141,539,213	1,158,230,516	
Scratchers Prizes	312,477,552	375,179,476	405,319,861	443,260,128	442,423,786	441,530,646	465,451,594	521,263,401	537,224,413	542,790,100	
Draw Game prizes	162,322,731	185,416,764	178,645,325	188,271,101	182,748,411	186,527,348	182,930,684	200,816,218	215,740,436	212,944,355	
Other Prize expense	13,125,599	12,171,720	11,057,428	9,592,279	4,104,438	0	0	0	0	15,244,589	
Total Prize Expense	487,925,882	572,767,960	595,022,614	641,123,508	629,276,635	628,057,994	648,382,278	722,079,619	752,964,849	770,979,044	
Scratchers retailer incentive	30,272,992	35,399,461	37,961,173	40,177,085	40,426,633	40,344,338	42,190,539	47,258,571	48,489,399	48,824,084	
Draw Game retailer incentive	17,212,524	19,880,652	18,933,089	19,896,220	19,105,995	19,556,045	19,659,726	20,572,297	21,836,612	21,473,918	
Other retailer incentive	1,313,206	1,263,037	1,363,491	1,435,531	576,940		0	0	0	355,270	
Total retailer compensation	48,798,722	56,543,150	58,257,753	61,508,836	60,109,568	59,900,383	61,850,265	67,830,868	70,326,011	70,653,272	
Cost of Tickets	17,543,004	16,282,739	16,280,719	17,289,790	16,077,548	16,106,631	16,522,096	15,318,902	16,395,935	17,495,336	
Advertising	2,110,182	2,107,347	1,467,480	1,299,980	1,236,819	1,850,163	7,943,537	7,261,102	10,599,791	16,000,000	
All Other Operating Expenses	19,320,427	18,183,525	18,519,632	18,973,494	19,229,974	18,959,194	20,744,927	23,119,880	26,055,929	23,488,289	
Total other expenses	38,973,613	36,573,611	36,267,831	37,563,264	36,544,341	36,915,988	45,210,560	45,699,884	53,051,655	56,983,625	
TOTAL OPERATING EXPENSES	575,698,217	665,884,721	689,548,198	740,195,608	725,930,544	724,874,365	755,443,103	835,610,371	876,342,515	898,615,941	
Net Operating Income	210,240,372	247,801,297	246,118,008	255,946,702	243,117,728	247,040,534	245,758,489	263,111,780	265,196,698	259,614,575	
Sum of Non-Operating Revenues and Expenses	9,443,241	6,486,527	11,411,018	13,476,536	13,672,613	13,810,765	8,402,045	13,858,274	10,765,702	13,103,628	
Total Available	219,683,613	254,287,824	257,529,026	269,423,238	256,790,341	260,851,299	254,160,534	276,970,054	275,962,400	272,718,203	
Transfer to Education**	218,642,710	260,668,734	257,882,704	266,745,112	256,286,630	259,672,711	255,807,030	273,597,799	280,007,039	267,324,620	
Recorded Transfer to Educ **	218,397,653	260,471,495	259,893,055	265,143,208	259,029,301	255,086,271	259,440,437	280,044,099	288,809,383	267,338,366	
										Avg	
Change in Revenue		16.3%	2.4%	6.5%	-2.7%	0.3%	3.0%	9.7%	3.9%	1.5%	4.5%
Change in Transfer to Education		19.2%	-1.1%	3.4%	-3.9%	1.3%	-1.5%	7.0%	2.3%	-4.5%	2.5%
Change in Prizes		17.4%	3.9%	7.7%	-1.8%	-0.2%	3.2%	11.4%	4.3%	2.4%	5.4%
Change in Advertising		-0.1%	-30.4%	-11.4%	-4.9%	49.6%	329.3%	-8.6%	46.0%	50.9%	46.7%
Change in Retailer Compensation		15.9%	3.0%	5.6%	-2.3%	-0.3%	3.3%	9.7%	3.7%	0.5%	4.3%
Change in Total Other Expenses		-6.2%	-0.8%	3.6%	-2.7%	1.0%	22.5%	1.1%	16.1%	7.4%	4.7%
Educ as % of Total Oper Rev	27.8%	28.5%	27.6%	26.8%	26.4%	26.7%	25.6%	24.9%	24.5%	23.1%	26.2%
Prizes as % of Total Oper Rev	62.1%	62.7%	63.6%	64.4%	64.9%	64.6%	64.8%	65.7%	66.0%	66.6%	64.5%

* FY 2014 are unaudited numbers

** Amounts reflected in MO Lottery financial reports may vary from amounts recorded in the education fund due to timing of deposits.

Source: MO Lottery staff and MO Lottery CAFRs. OA B&P pulled the "Recorded Transfer to Educ" amounts from the state accounting system.

	FY 2004		FY 2005		FY 2006		FY 2007		FY 2008		FY 2009		FY 2010		FY 2011		FY 2012		FY 2013		10 Year Average	
	Overall Prize Payout %	Rank	Overall Prize Payout %	Rank	Overall Prize Payout %	Rank	Overall Prize Payout %	Rank	Overall Prize Payout %	Rank	Overall Prize Payout %	Rank	Overall Prize Payout %	Rank	Overall Prize Payout %	Rank	Overall Prize Payout %	Rank	Overall Prize Payout %	Rank	Overall Prize Payout %	Rank
Arizona	55.10%	31	50.38%	39	55.28%	33	55.71%	35	55.50%	34	58.30%	28	60.40%	18	62.19%	10	61.35%	20	61.50%	22	57.57%	31
Arkansas													64.56%	3	66.27%	2	66.65%	3	66.46%	3	65.99%	3
California	52.66%	35	53.85%	35	53.91%	36	53.21%	38	53.10%	38	52.66%	39	52.99%	39	55.39%	32	58.57%	32	59.65%	26	54.60%	39
Colorado	58.97%	15	59.84%	14	60.07%	13	60.74%	10	62.26%	9	61.14%	13	61.86%	8	62.42%	9	62.84%	9	61.85%	19	61.20%	12
Connecticut	59.31%	11	61.42%	8	60.54%	10	60.59%	12	60.93%	13	61.00%	14	61.07%	14	61.00%	17	61.00%	22	62.27%	13	60.91%	13
Delaware	48.97%	40	52.45%	37	52.07%	38	51.84%	40	52.57%	40	54.18%	37	52.97%	40			63.60%	7	68.88%	2	55.28%	37
District of Columbia	50.73%	37	51.30%	38	55.07%	34	56.59%	32	53.44%	37	52.18%	40	51.67%	43	53.31%	36	54.99%	39	53.38%	41	53.27%	41
Florida	56.15%	27	58.90%	19	59.58%	15	60.27%	15	59.31%	23	59.42%	23	60.15%	20			62.16%	16	63.09%	10	59.89%	20
Georgia	58.06%	18	59.73%	15	61.43%	6	62.24%	6	62.64%	6	63.28%	4	62.85%	5	58.95%	23	64.32%	5	64.15%	6	61.77%	9
Idaho	59.21%	14	61.31%	9	58.40%	22	60.43%	14	59.53%	20	60.84%	16	59.96%	21	61.28%	16	61.91%	17	62.24%	15	60.51%	16
Illinois	57.71%	20	57.48%	27	58.96%	20	58.89%	23	59.60%	19	59.02%	27	59.95%	22	62.08%	11	62.73%	11	61.70%	21	59.81%	22
Indiana	59.40%	10	61.56%	7	60.41%	12	60.55%	13	61.17%	12	61.86%	7	61.63%	9	62.48%	8	62.29%	15	62.24%	14	61.36%	10
Iowa	54.89%	32	53.86%	34	36.01%	43	56.73%	31	58.05%	25	56.90%	33	58.71%	28	58.55%	27	58.69%	30	59.19%	31	55.16%	38
Kansas	53.81%	33	54.45%	33	55.50%	32	55.92%	34	53.63%	36	56.79%	34	56.33%	35	58.41%	30	56.43%	37	56.61%	38	55.79%	36
Kentucky	60.56%	7	64.71%	3	59.94%	14	61.32%	9	63.36%	5	61.50%	11	58.32%	30	62.53%	7	59.80%	26	61.04%	23	61.31%	11
Louisiana	49.92%	38	49.92%	40	50.65%	41	50.65%	42	51.59%	42	51.08%	42	50.95%	44	43.93%	37	52.67%	42	52.78%	42	50.42%	44
Maine	61.81%	4	60.69%	12	61.86%	5	62.50%	5	62.33%	8	61.68%	10	61.48%	11	62.01%	12	62.55%	12	62.66%	11	61.96%	6
Maryland	56.98%	22	57.63%	26	57.92%	25	58.77%	24	57.19%	28	60.41%	17	60.60%	17	59.96%	19	59.37%	28	59.13%	33	58.80%	26
Massachusetts	72.07%	1	71.92%	1	71.86%	1	72.69%	1	72.92%	1	72.71%	1	71.96%	1			71.82%	2	72.82%	1	72.31%	1
Michigan	55.71%	29	56.15%	31	57.32%	28	56.74%	30	56.79%	31	59.21%	25	58.56%	29	58.52%	28	56.75%	36	59.02%	34	57.48%	33
Minnesota	58.29%	16	59.14%	18	59.55%	16	59.47%	19	60.59%	14	61.30%	12	61.19%	13	61.66%	15	61.65%	18	61.93%	18	60.48%	17
Missouri	61.28%	6	62.11%	6	62.70%	4	63.69%	3	64.40%	3	64.97%	3	64.62%	2	63.86%	5	65.80%	4	66.00%	4	63.94%	4
Montana	50.84%	36	52.64%	36	51.93%	39	51.53%	41	52.12%	41	52.69%	38	55.37%	37	53.91%	34	54.25%	40	56.65%	37	53.19%	42
Nebraska	56.81%	24	57.97%	24	56.34%	31	57.12%	29	56.80%	30	58.28%	29	57.46%	33	58.30%	31	58.02%	35	57.91%	36	57.50%	32
New Hampshire	57.87%	19	58.20%	21	58.00%	23	59.17%	22	59.34%	22	59.29%	24	59.42%	25	60.99%	18	62.39%	13	62.06%	17	59.67%	23
New Jersey	56.65%	26	57.02%	28	57.36%	27	57.82%	27	57.94%	27	58.13%	30	58.04%	32	58.50%	29	58.64%	31	59.20%	30	57.93%	30
New Mexico	53.06%	34	54.70%	32	54.74%	35	57.46%	28	54.41%	35	54.42%	36	53.53%	38	54.32%	33	53.84%	41	54.37%	40	54.48%	40
New York	56.75%	25	58.35%	20	59.40%	17	59.69%	17	59.23%	24	59.79%	21	58.28%	31	58.71%	25	58.90%	29	59.35%	29	58.85%	25
North Carolina					51.83%	40	52.43%	39	56.13%	33	57.01%	32	58.77%	27	58.97%	22	60.22%	24	60.62%	25	57.00%	34
North Dakota	48.35%	41	47.53%	41	49.46%	42	49.86%	43	51.35%	43	52.12%	41	51.76%	42			51.50%	44	51.07%	44	50.33%	45
Ohio	59.22%	13	59.32%	17	59.04%	19	59.24%	21	60.08%	16	60.35%	18	60.79%	16	59.70%	20	61.37%	19	61.83%	20	60.09%	19
Oklahoma					53.55%	37	53.92%	37	52.66%	39	49.65%	43	52.61%	41	53.78%	35	51.56%	43	52.18%	43	52.49%	43
Oregon	64.07%	2	68.06%	2	65.96%	2	65.86%	2	64.95%	2	65.44%	2	64.23%	4	65.01%	3	73.73%	1	63.98%	7	66.13%	2
Pennsylvania	55.52%	30	57.83%	25	58.79%	21	59.57%	18	59.74%	18	59.99%	20	60.90%	15	67.94%	1	60.92%	23	62.14%	16	60.33%	18
Rhode Island	59.50%	9	59.35%	16	59.29%	18	58.77%	25	59.90%	17	59.46%	22	60.17%	19	61.68%	14	61.18%	21	59.15%	32	59.85%	21
South Carolina	58.14%	17	59.94%	13	61.36%	7	60.73%	11	62.52%	7	63.00%	6	62.39%	7			63.53%	8	64.66%	5	61.81%	8
South Dakota	56.03%	28	56.46%	30	56.74%	29	56.07%	33	56.42%	32	56.74%	35	56.09%	36	58.80%	24	55.02%	38	56.53%	39	56.49%	35
Tennessee	49.77%	39	56.69%	29	57.95%	24	55.28%	36	59.42%	21	60.96%	15	61.42%	12	58.58%	26	62.30%	14	62.29%	12	58.46%	27
Texas	59.31%	12	60.83%	11	61.21%	8	61.35%	8	62.13%	10	61.82%	8	61.52%	10	64.10%	4	62.82%	10	63.24%	9	61.83%	7
Vermont	62.34%	3	62.53%	5	63.37%	3	63.36%	4	63.50%	4	63.27%	5	62.70%	6	63.39%	6	64.01%	6	63.24%	8	63.17%	5
Virginia	57.05%	21	58.07%	22	56.66%	30	58.12%	26	57.15%	29	57.19%	31	59.38%	26	59.42%	21	59.55%	27	60.69%	24	58.33%	28
Washington	61.38%	5	61.31%	10	61.06%	9	61.88%	7	60.43%	15	61.78%	9	59.43%	24			58.21%	34	59.58%	27	60.56%	15
West Virginia	59.58%	8	63.47%	4	60.48%	11	60.10%	16	61.19%	11	60.30%	19	59.58%	23	61.73%	13	59.92%	25	59.42%	28	60.58%	14
Wisconsin	56.98%	23	58.02%	23	57.75%	26	59.27%	20	57.95%	26	59.12%	26	56.74%	34			58.45%	33	58.15%	35	58.05%	29
National Average	57.09%		58.22%		57.70%		58.56%		58.75%		59.10%		59.17%		59.80%		60.42%		60.61%		58.94%	

*Calculated as a percent of total draw and instant game sales, does not include VLT sales and payout.

**Data compiled from La Fleur's World Lottery Almanac

***Statistical outliers were excluded from North Dakota.

	FY 2004		FY 2005		FY 2006		FY 2007		FY 2008		FY 2009		FY 2010		FY 2011		FY 2012		FY 2013		10 Year Average	
	Instant Prize Payout %	Rank	Instant Prize Payout %	Rank	Instant Prize Payout %	Rank	Instant Prize Payout %	Rank	Instant Prize Payout %	Rank	Instant Prize Payout %	Rank	Instant Prize Payout %	Rank	Instant Prize Payout %	Rank	Instant Prize Payout %	Rank	Instant Prize Payout %	Rank	Instant Prize Payout %	Rank
Arizona	60.00%	35	60.00%	34	60.00%	34	60.00%	35	60.00%	32	66.00%	28	67.00%	20	68.00%	15	69.00%	11	69.00%	14	63.90%	36
Arkansas													69.00%	4	67.00%	16	70.08%	7	70.50%	6	69.15%	3
California	58.00%	38	57.98%	37	57.98%	37	65.00%	25	56.47%	35	56.20%	38	55.75%	37	61.00%	36	64.16%	36	67.00%	28	59.95%	42
Colorado	66.40%	10	64.60%	21	65.00%	22	67.00%	16	68.00%	9	67.00%	19	66.33%	24	67.00%	16	68.50%	13	69.30%	12	66.91%	21
Connecticut	67.80%	3	67.79%	5	67.70%	7	68.18%	5	68.50%	6	69.00%	6	69.07%	3	69.12%	4	69.14%	10	69.29%	13	68.56%	6
Delaware	63.00%	30	64.00%	27	65.00%	22	64.27%	32			65.00%	30	65.50%	29	65.60%	25	60.00%	41	67.00%	28	64.37%	34
District of Columbia	66.00%	11	67.61%	6	67.70%	7	66.96%	18			66.30%	27	68.00%	13			65.20%	33	60.00%	40	65.97%	27
Florida	64.40%	24	64.44%	23	64.37%	31	64.02%	33	65.22%	26	67.30%	17	68.24%	11	68.43%	14	70.79%	5	72.90%	2	67.01%	18
Georgia					69.00%	3	66.20%	20	70.80%	2	71.60%	2	71.00%	2	71.00%	2	72.17%	2	72.24%	3	70.50%	2
Idaho	64.60%	22	65.83%	16	66.16%	18	66.00%	21	66.51%	23	66.70%	25	65.59%	28	65.00%	27	66.11%	30	65.97%	33	65.85%	29
Illinois	63.90%	26	64.50%	22	64.50%	29	67.26%	15	67.26%	16	67.20%	18	67.24%	19	68.70%	7	70.00%	8	70.00%	9	67.06%	16
Indiana	65.80%	14	67.50%	7	67.40%	12	67.85%	9	68.34%	7	68.80%	8	67.58%	17	68.70%	7	67.68%	19	67.82%	19	67.75%	10
Iowa	61.00%	33	61.00%	32							60.06%	36			62.68%	34	62.00%	38	63.00%	37	61.62%	39
Kansas	59.80%	36	59.80%	35	59.80%	35									62.30%	35	64.70%	35	58.83%	42	60.87%	40
Kentucky	66.60%	9	68.10%	3	67.50%	11	69.00%	2	69.00%	4	66.00%	28	64.50%	33	64.50%	31	68.48%	14	66.80%	30	67.05%	17
Louisiana	59.50%	37	59.00%	36	58.50%	36	58.50%	36	58.50%	33	59.00%	37	59.00%	36	60.25%	37	60.10%	40	61.60%	39	59.40%	43
Maine	65.80%	14	64.20%	26	64.95%	27	67.81%	10	67.50%	14	67.00%	19	65.60%	27	65.60%	25	67.45%	25	65.97%	33	66.19%	25
Maryland	68.00%	2	68.00%	4	69.00%	3	69.00%	2	67.20%	17	69.00%	6	68.00%	13	69.00%	5	71.00%	4	71.00%	5	68.92%	4
Massachusetts	75.00%	1	76.00%	1	76.00%	1	75.00%	1	76.00%	1	76.00%	1	77.00%	1	77.00%	1	76.00%	1	76.00%	1	76.00%	1
Michigan	63.00%	30	63.40%	30	65.00%	22	65.00%	25	65.00%	28	67.00%	19	67.00%	20	67.00%	16	66.70%	29	69.46%	11	65.86%	28
Minnesota	66.00%	11	66.00%	14	67.00%	14	66.00%	21	67.00%	19	67.00%	19	68.00%	13	66.76%	21	67.56%	22	70.39%	8	67.17%	14
Missouri	66.70%	8	66.80%	13	68.00%	6	67.95%	8	69.37%	3	69.40%	4	68.90%	5	68.45%	13	70.20%	6	70.50%	6	68.63%	5
Montana	61.00%	33	60.98%	33	62.00%	33	62.13%	34	62.59%	31	62.60%	34	63.81%	35	63.55%	33	62.00%	38	63.00%	37	62.37%	37
Nebraska	65.00%	17	65.00%	19	65.00%	22	65.00%	25	66.64%	22	67.00%	19	67.00%	20	67.00%	16	67.52%	23	67.62%	20	66.28%	23
New Hampshire	64.00%	25	64.33%	24	64.50%	29	64.58%	29	65.18%	27	64.20%	33	65.00%	31	65.00%	27	67.67%	20	67.50%	24	65.20%	31
New Jersey	64.50%	23	64.28%	25	64.56%	28	65.01%	24	65.00%	28	65.00%	30	65.06%	30	65.00%	27	66.73%	28	67.11%	26	65.23%	30
New Mexico	63.00%	30	58-65%		58-70%		58-75%		51-75%								57.97%	43	58.94%	41	59.97%	41
New York	66.90%	6	67.24%	8	67.57%	10	67.64%	13	67.50%	14	67.00%	19	67.00%	20	67.00%	16	68.20%	16	68.00%	18	67.41%	13
North Carolina							53.00%	37	57.17%	34	60.10%	35	66.00%	25			67.96%	18	68.70%	16	62.16%	38
North Dakota																						
Ohio	65.40%	16	65.50%	17	66.80%	16	68.61%	4	68.80%	5	68.80%	8	68.50%	7	68.50%	10	69.00%	11	69.00%	14	67.89%	9
Oklahoma							52.01%	38							59.03%	38	58.64%	42	56.75%	43	56.61%	44
Oregon	66.00%	11	66.85%	12	65.00%	22	67.80%	11	67.63%	13	67.60%	11	67.58%	17			68.45%	15	67.48%	25	67.15%	15
Pennsylvania	66.90%	6	68.20%	2	68.53%	5	67.67%	12	67.18%	18	69.20%	5	68.30%	10	69.00%	5	69.90%	9	69.71%	10	68.46%	7
Rhode Island	64.90%	21	65.39%	18	66.25%	17	67.58%	14	66.05%	24	67.50%	12	65.87%	26	66.00%	24	66.80%	27	67.10%	27	66.34%	22
South Carolina	63.40%	29	63.43%	29	69.50%	2	67.00%	16	67.00%	19	71.40%	3					71.37%	3	71.80%	4	68.11%	8
South Dakota	63.60%	28	63.40%	30	65.27%	21	64.31%	30	68.16%	8	68.20%	10	64.40%	34	64.40%	32	64.11%	37	63.36%	36	64.92%	32
Tennessee	56.20%	39													66.40%	23	66.90%	26	67.60%	21	64.28%	35
Texas	65.00%	17	66.00%	14	65.59%	20	65.86%	23	67.70%	12	67.50%	12	68.13%	12	68.56%	9	67.50%	24	67.60%	21	66.94%	20
Vermont	67.70%	4	67.00%	11	67.00%	14	68.00%	6	68.00%	9	67.40%	15	68.55%	6	68.50%	10	67.61%	21	67.58%	23	67.73%	11
Virginia	65.00%	17	65.00%	19	65.75%	19	66.50%	19	66.90%	21	67.40%	15	68.50%	7	68.50%	10	68.20%	16	68.10%	17	66.99%	19
Washington	65.00%	17	67.04%	9	67.04%	13	64.31%	30	65.80%	25	66.50%	26	67.70%	16	66.70%	22	65.60%	32	66.40%	31	66.21%	24
West Virginia	67.50%	5	67.01%	10	67.69%	9	68.00%	6	68.00%	9	67.50%	12	68.50%	7	70.00%	3	66.00%	31	66.00%	32	67.62%	12
Wisconsin	63.80%	27	63.84%	28	63.98%	32	64.63%	28	64.80%	30	64.90%	32	64.88%	32	64.88%	30	64.88%	34	64.69%	35	64.53%	33
National Average	64.52%		65.06%		65.75%		65.54%		66.31%		66.61%		66.84%		66.61%		66.98%		67.18%		66.14%	

**Data compiled from La Fleur's World Lottery Almanac

Draw Prize Payout Percentage by State

	FY 2004		FY 2005		FY 2006		FY 2007		FY 2008		FY 2009		FY 2010		FY 2011		FY 2012		FY 2013		10 Year Average	
	Draw Prize Payout %	Rank	Draw Prize Payout %	Rank	Draw Prize Payout %	Rank	Draw Prize Payout %	Rank	Draw Prize Payout %	Rank	Draw Prize Payout %	Rank	Draw Prize Payout %	Rank	Draw Prize Payout %	Rank	Draw Prize Payout %	Rank	Draw Prize Payout %	Rank	Draw Prize Payout %	Rank
Arizona	50.21%	15	38.50%	38	49.89%	20	50.14%	20	50.35%	18	47.86%	30	50.04%	19	51.87%	15	48.11%	35	48.72%	32	48.57%	35
Arkansas													33.67%	38	62.43%	2	50.25%	21	49.48%	30	48.96%	33
California	48.54%	25	49.36%	23	49.17%	24	38.81%	39	49.62%	19	48.40%	27	49.66%	20	47.58%	30	49.03%	30	44.25%	42	47.44%	38
Colorado	45.15%	36	49.81%	21	51.80%	14	49.02%	26	50.91%	14	49.49%	21	53.42%	7	53.34%	12	51.44%	15	47.97%	38	50.23%	24
Connecticut	45.76%	33	50.33%	19	49.53%	21	48.12%	30	48.59%	25	48.21%	29	49.30%	22	48.78%	25	48.60%	32	51.98%	15	48.92%	34
Delaware	44.78%	37	48.57%	29	47.72%	31	47.02%	34			49.63%	19	48.48%	24			65.44%	2	69.81%	1	52.68%	8
District of Columbia	47.79%	27	48.34%	30	52.85%	10	54.65%	9			48.99%	25	47.44%	29			51.77%	13	51.34%	18	50.40%	21
Florida	49.04%	21	52.11%	10	54.08%	5	55.62%	5	51.56%	11	50.75%	16	50.93%	17			50.40%	19	48.13%	36	51.40%	13
Georgia					44.17%	38	54.78%	8	46.84%	32	47.07%	35	42.67%	37	34.06%	31	49.82%	24	42.98%	43	45.30%	42
Idaho	50.14%	16	51.51%	11	45.90%	36	50.63%	15	48.29%	27	50.75%	15	50.94%	16	55.32%	6	56.39%	6	57.67%	4	51.75%	9
Illinois	52.34%	8	50.50%	18	53.23%	9	49.82%	22	50.90%	15	49.44%	23	51.28%	12	53.59%	11	51.43%	16	48.01%	37	51.05%	15
Indiana	51.11%	12	51.19%	14	48.92%	25	47.21%	33	48.46%	26	49.15%	24	51.61%	11	51.31%	18	52.20%	10	51.49%	17	50.27%	23
Iowa	49.75%	18	46.99%	34							52.86%	9			52.11%	14	53.57%	9	53.56%	13	51.47%	11
Kansas	49.37%	19	49.28%	25	51.91%	12									54.06%	9	48.04%	36	54.22%	9	51.15%	14
Kentucky	54.70%	5	60.66%	3	50.92%	16	50.24%	19	54.71%	6	54.75%	7	47.61%	27	59.33%	4	47.48%	38	50.61%	23	53.10%	7
Louisiana	45.25%	35	45.27%	36	46.27%	35	45.84%	36	47.82%	28	46.35%	37	46.33%	35	33.66%	32	48.35%	34	47.72%	39	45.29%	43
Maine	45.66%	34	51.39%	12	53.92%	6	47.65%	31	48.80%	23	47.44%	33	51.84%	8	52.56%	13	49.74%	25	54.23%	8	50.32%	22
Maryland	53.23%	7	53.93%	8	53.90%	7	55.00%	7	52.76%	9	56.76%	3	57.61%	3	56.31%	5	54.80%	7	54.60%	7	54.89%	5
Massachusetts	65.81%	1	62.24%	2	62.55%	2	67.53%	1	65.29%	1	65.26%	1	61.07%	2			62.63%	3	65.71%	2	64.23%	2
Michigan	51.79%	10	52.74%	9	53.69%	8	53.08%	11	53.01%	8	55.63%	5	54.62%	6	54.54%	8	52.08%	11	53.78%	11	53.50%	6
Minnesota	48.58%	23	47.91%	31	48.57%	28	48.80%	27	48.91%	22	49.46%	22	46.88%	32	49.55%	22	48.91%	31	46.28%	41	48.39%	36
Missouri	54.69%	6	55.20%	6	54.64%	4	56.38%	4	55.52%	4	56.51%	4	56.45%	5	54.68%	7	56.59%	5	57.06%	5	55.77%	4
Montana	46.83%	30	48.89%	27	47.98%	30	47.02%	35	47.78%	29	48.37%	28	51.67%	10	49.25%	24	50.71%	18	53.87%	10	49.24%	31
Nebraska	48.62%	22	49.19%	26	47.57%	32	48.56%	28	46.05%	33	48.62%	26	47.42%	30	47.88%	29	46.69%	41	47.42%	40	47.80%	37
New Hampshire	45.79%	32	43.50%	37	44.59%	37	45.55%	37	45.33%	34	47.09%	34	47.25%	31	51.45%	17	50.39%	20	50.01%	26	47.09%	40
New Jersey	50.36%	14	50.61%	17	50.86%	17	50.40%	16	50.71%	16	51.06%	14	51.02%	15	51.52%	16	50.09%	23	50.55%	24	50.72%	16
New Mexico	39.04%	38															49.47%	27	49.92%	27	46.14%	41
New York	47.70%	28	49.54%	22	51.45%	15	50.76%	14	49.58%	20	51.07%	13	48.35%	25	49.56%	21	49.20%	29	49.83%	28	49.71%	26
North Carolina							51.76%	13	54.70%	7	51.92%	11	47.83%	26			48.56%	33	48.57%	33	50.56%	20
North Dakota			47.53%	32	49.46%	22	49.86%	21	51.35%	12	52.12%	10	51.76%	9			51.50%	14	51.07%	21	50.58%	19
Ohio	51.89%	9	51.35%	13	48.59%	27	45.22%	38	47.69%	30	49.67%	18	51.27%	13	48.40%	26	52.02%	12	53.76%	12	49.99%	25
Oklahoma							55.52%	6							48.11%	28	45.02%	44	48.49%	34	49.28%	30
Oregon	62.96%	2	68.77%	1	66.48%	1	64.77%	2	63.38%	2	64.24%	2	62.41%	1			76.75%	1	62.06%	3	65.76%	1
Pennsylvania	47.26%	29	48.79%	28	48.35%	29	49.52%	23	50.55%	17	47.81%	31	51.08%	14	66.35%	1	46.68%	42	49.63%	29	50.60%	18
Rhode Island	57.11%	3	56.61%	5	55.99%	3	54.49%	10	56.76%	3	55.22%	6	57.33%	4	59.51%	3	58.32%	4	55.14%	6	56.65%	3
South Carolina	51.28%	11	54.60%	7	48.71%	26	50.28%	18	54.96%	5	47.62%	32					47.76%	37	50.04%	25	50.66%	17
South Dakota	49.96%	17	49.31%	24	49.18%	23	49.12%	25	45.26%	35	45.66%	38	49.33%	21	53.75%	10	47.09%	40	51.18%	20	48.98%	32
Tennessee	14.42%	39													27.39%	33	45.44%	43	31.25%	44	29.63%	44
Texas	48.38%	26	46.23%	35	47.50%	33	47.27%	32	44.67%	36	44.74%	39	42.87%	36	50.94%	19	49.74%	26	51.04%	22	47.34%	39
Vermont	46.25%	31	47.48%	33	52.11%	11	48.26%	29	49.38%	21	49.54%	20	46.67%	33	48.39%	27	53.86%	8	51.67%	16	49.36%	29
Virginia	49.11%	20	50.86%	16	47.38%	34	49.31%	24	47.35%	31	46.76%	36	50.42%	18	49.95%	20	50.13%	22	52.49%	14	49.38%	28
Washington	56.42%	4	50.98%	15	50.45%	18	57.17%	3	51.13%	13	53.75%	8	47.58%	28			47.38%	39	48.21%	35	51.45%	12
West Virginia	50.63%	13	58.68%	4	51.81%	13	50.35%	17	52.52%	10	50.56%	17	49.20%	23	49.44%	23	51.36%	17	51.19%	19	51.57%	10
Wisconsin	48.57%	24	49.92%	20	50.12%	19	52.21%	12	48.70%	24	51.33%	12	46.39%	34			49.40%	28	49.42%	31	49.56%	27
National Average	49.14%		51.02%		50.85%		50.97%		50.84%		50.82%		50.04%		50.82%		51.47%		51.28%		50.72%	

*Statistical outliers were excluded from North Dakota and Georgia

**Data compiled from La Fleur's World Lottery Almanac

	FY 2004		FY 2005		FY 2006		FY 2007		FY 2008		FY 2009		FY 2010		FY 2011		FY 2012		FY 2013		10 Year Average	
	Total Sales Per Capita	Rank	Total Sales Per Capita	Rank	Total Sales Per Capita	Rank	Total Sales Per Capita	Rank	Total Sales Per Capita	Rank	Total Sales Per Capita	Rank	Total Sales Per Capita	Rank	Total Sales Per Capita	Rank	Total Sales Per Capita	Rank	Total Sales Per Capita	Rank	Total Sales Per Capita	Rank
Arizona	64.31	30	69.75	29	79.44	28	73.36	31	72.76	31	73.41	29	83.56	27	87.39	28	96.85	27	104.56	26	80.54	31
Arkansas													131.86	20	159.45	17	162.57	19	148.53	20	150.60	20
California	82.84	22	92.86	20	99.31	22	90.67	22	82.87	28	79.86	28	82.19	30	92.27	25	117.30	22	115.98	23	93.61	25
Colorado	87.23	20	90.65	21	99.74	21	93.04	21	103.23	21	98.68	21	100.34	22	101.84	22	107.03	24	107.50	25	98.93	23
Connecticut	259.33	4	266.55	4	277.24	4	273.44	4	285.18	4	281.06	4	282.63	4	288.23	4	306.70	4	312.21	5	283.26	5
District of Columbia	301.41	2	293.68	3	332.98	2	285.36	3	280.80	5	275.42	5	258.32	5	259.60	5	280.22	5	375.33	2	294.31	3
Florida	176.49	11	199.47	9	220.73	8	225.25	8	228.13	8	212.90	9	210.84	9	214.62	9	238.24	9	256.38	7	218.31	9
Georgia	289.72	3	310.72	2	324.77	3	334.57	2	337.32	2	346.49	2	345.66	2	363.13	2	359.29	2	363.88	3	337.56	2
Idaho	78.09	24	81.07	23	93.79	23	87.02	24	91.23	22	93.13	22	98.15	23	94.37	24	112.73	23	122.49	22	95.21	24
Illinois	132.88	17	142.86	16	153.46	18	154.96	18	159.48	17	160.48	14	169.30	12	176.05	13	206.30	10	219.51	10	167.53	13
Indiana	118.53	18	119.30	19	129.58	19	125.25	19	128.57	19	113.69	20	114.87	21	122.79	21	132.75	21	142.14	21	124.75	22
Iowa	69.51	29	70.22	28	113.17	20	78.36	28	83.07	27	80.48	27	84.77	26	89.78	26	102.83	25	109.79	24	88.20	28
Kansas	83.13	21	76.56	25	87.42	26	85.71	25	88.55	24	81.13	26	82.86	28	85.81	29	86.64	30	84.61	31	84.24	29
Kentucky	176.89	10	172.50	12	176.74	12	177.20	11	180.98	11	176.31	11	166.73	14	177.99	12	176.97	15	184.49	15	176.68	12
Louisiana	75.58	27	68.22	30	73.80	30	82.37	26	84.93	26	83.57	24	82.22	29	84.70	30	94.86	29	96.74	29	82.70	30
Maine	142.98	15	161.00	14	176.70	13	176.94	12	175.78	13	160.47	15	165.29	15	164.81	16	173.91	16	171.48	17	166.94	14
Massachusetts	682.56	1	697.77	1	703.32	1	693.20	1	721.46	1	667.40	1	665.37	1	664.05	1	713.26	1	723.03	1	693.14	1
Michigan	195.44	7	204.90	8	219.05	9	231.94	7	233.02	7	237.74	7	235.92	7	238.05	7	243.02	8	250.24	9	228.93	8
Minnesota	75.87	26	80.00	24	88.18	25	80.89	27	88.75	23	90.98	23	94.32	24	95.35	23	98.30	26	103.39	27	89.60	26
Missouri	136.41	16	135.45	17	157.50	16	158.35	16	168.73	15	161.09	13	161.65	16	166.45	15	182.54	14	188.75	14	161.69	17
Montana	40.82	32	37.57	32	44.35	33	41.56	34	43.82	34	44.69	34	47.81	35	46.94	35	53.84	34	55.96	34	45.74	36
Nebraska	54.48	31	59.21	31	62.84	31	63.60	32	67.73	32	68.08	32	72.10	33	72.83	32	83.16	31	86.03	30	69.01	34
New Hampshire	182.32	9	175.37	11	202.11	10	202.74	10	200.53	10	181.04	10	176.63	11	172.57	14	192.41	12	211.14	11	189.69	10
New Jersey	251.54	5	261.42	5	276.61	5	270.26	5	291.85	3	286.65	3	298.31	3	301.89	3	315.92	3	317.05	4	287.15	4
New Mexico	78.24	23	73.28	27	81.37	27	74.07	30	73.60	30	70.75	31	72.20	32	66.62	33	65.78	33	67.99	33	72.39	33
North Carolina					26.38	35	94.69	20	113.96	20	136.53	19	151.21	18	154.47	18	168.80	17	171.59	16	127.20	21
North Dakota			31.88	33	37.21	34	37.74	35	36.87	35	33.59	35	37.00	36	35.17	36	39.82	36	38.50	36	36.42	37
Oklahoma					58.53	32	59.74	33	59.52	33	51.88	33	53.64	34	53.22	34	53.67	35	51.99	35	55.27	35
Pennsylvania	189.68	8	213.29	7	247.60	7	248.09	6	249.13	6	244.45	6	242.68	6	253.93	6	275.54	6	289.62	6	245.40	6
South Carolina	226.19	6	227.85	6	266.19	6	224.58	9	220.55	9	218.64	8	219.09	8	227.78	8	247.02	7	251.14	8	232.90	7
Tennessee	72.49	28	132.83	18	154.67	17	170.67	15	159.77	16	160.13	16	167.26	13	187.22	10	191.84	13	196.32	13	159.32	18
Texas	155.02	13	162.78	13	167.76	15	157.92	17	151.09	18	150.00	18	150.75	19	150.05	20	166.22	18	165.47	18	157.71	19
Vermont	153.97	14	154.32	15	174.75	14	174.19	14	169.98	14	154.34	17	156.72	17	153.70	19	162.27	20	163.08	19	161.73	16
Virginia	168.31	12	177.86	10	189.63	11	176.93	13	177.75	12	172.86	12	181.66	10	186.46	11	203.22	11	204.51	12	183.92	11
Washington	77.65	25	73.89	26	75.85	29	75.78	29	80.17	29	72.29	30	72.79	31	75.67	31	79.34	32	81.71	32	76.52	32
Wisconsin	87.81	19	82.16	22	92.53	24	88.00	23	88.35	25	83.51	25	84.87	25	88.65	27	96.62	28	98.57	28	89.11	27
National Average	155.24		157.49		164.72		161.96		165.13		160.11		161.15		165.39		177.44		184.21		165.28	

*Total Sales does not include VLT states, which include Delaware, Maryland, New York, Ohio, Oregon, Rhode Island, South Dakota and West Virginia.

**Data compiled from La Fleur's World Lottery Almanac

Instant Sales Per Capita by State

	FY 2004		FY 2005		FY 2006		FY 2007		FY 2008		FY 2009		FY 2010		FY 2011		FY 2012		FY 2013		10 Year Average	
	Instant Sales Per Capita	Rank	Instant Sales Per Capita	Rank	Instant Sales Per Capita	Rank	Instant Sales Per Capita	Rank	Instant Sales Per Capita	Rank	Instant Sales Per Capita	Rank	Instant Sales Per Capita	Rank	Instant Sales Per Capita	Rank	Instant Sales Per Capita	Rank	Instant Sales Per Capita	Rank	Instant Sales Per Capita	Rank
Arizona	32.15	34	38.54	32	42.34	32	41.43	34	38.84	36	42.26	33	51.05	30	55.94	30	62.53	31	65.88	30	47.10	33
Arkansas													115.29	12	134.05	9	132.69	11	119.98	16	125.50	9
California	36.06	32	48.38	28	53.45	27	49.85	31	42.15	34	43.66	32	44.90	33	53.72	32	72.43	26	78.53	25	52.31	30
Colorado	56.72	25	61.46	24	62.51	25	60.63	24	68.58	24	65.66	25	65.62	26	67.69	26	70.21	27	69.97	27	64.91	26
Connecticut	159.42	3	169.31	3	167.90	3	169.98	4	176.85	4	172.95	4	168.24	4	173.12	4	181.98	4	185.56	4	172.53	4
Delaware	31.26	36	35.86	35	39.20	34	36.74	36	39.53	35	40.97	34	40.54	36	45.90	34	49.85	34	73.45	26	43.33	35
District of Columbia	64.90	20	60.18	25	66.32	23	67.33	23	75.03	21	74.20	23	77.64	22	92.55	20	94.84	21	61.79	32	73.48	25
Florida	81.77	14	109.87	11	117.98	12	124.79	11	129.44	9	111.57	14	112.33	14	119.16	13	132.88	10	154.89	9	119.47	13
Georgia	176.89	2	209.20	2	225.78	2	218.71	2	222.43	2	228.95	2	246.28	2	244.63	2	232.88	2	263.28	2	226.90	2
Idaho	48.99	26	55.50	26	57.85	26	55.47	26	56.26	28	58.93	28	60.43	28	58.08	29	62.55	30	67.42	28	58.15	28
Illinois	61.66	22	71.23	19	78.09	19	80.59	19	84.78	19	86.50	19	91.94	18	98.86	18	126.18	13	137.35	11	91.72	19
Indiana	66.91	19	75.85	18	80.54	18	80.98	18	82.18	20	73.51	24	72.11	25	78.90	23	85.33	23	93.57	21	78.99	21
Iowa	31.75	35	34.42	36	35.52	36	41.72	33	45.97	31	45.09	31	47.56	31	54.68	31	61.42	32	65.47	31	46.36	34
Kansas	35.37	33	37.63	33	39.77	33	40.96	35	44.86	32	40.73	35	44.03	34	45.27	36	42.97	37	43.79	37	41.54	36
Kentucky	87.08	12	93.95	15	96.16	15	104.67	15	109.52	15	105.69	16	105.74	17	110.07	17	102.80	19	118.82	17	103.45	16
Louisiana	24.77	38	23.11	38	26.46	39	31.31	39	30.01	39	31.22	38	30.03	39	32.70	39	34.34	38	35.27	38	29.92	40
Maine	114.67	8	116.85	10	127.24	10	130.36	10	127.20	11	116.83	12	115.86	11	119.50	12	124.26	14	123.07	14	121.58	11
Maryland	63.39	21	69.82	20	74.17	21	75.91	20	91.76	17	88.39	17	85.56	21	86.02	22	86.13	22	81.96	23	80.31	20
Massachusetts	465.20	1	490.70	1	486.73	1	479.13	1	514.08	1	462.87	1	454.79	1	452.18	1	489.24	1	499.43	1	479.44	1
Michigan	68.33	18	65.60	22	70.37	22	71.07	22	73.42	23	74.91	22	75.09	23	75.96	24	78.09	25	83.57	22	73.64	24
Minnesota	42.27	30	49.67	27	52.53	28	50.16	28	57.30	27	61.42	27	63.91	27	67.07	27	66.05	28	67.13	29	57.75	29
Missouri	74.84	16	80.66	17	94.99	17	100.01	16	108.23	16	105.81	15	106.13	16	110.91	16	123.30	15	125.56	12	103.04	17
Montana	11.56	40	11.67	40	12.49	42	12.41	42	12.84	42	13.57	42	14.57	43	15.31	43	16.44	43	17.03	43	13.79	43
Nebraska	27.24	37	32.88	37	31.62	38	33.13	38	35.36	37	35.78	37	36.97	38	39.70	37	44.15	36	44.68	36	36.15	38
New Hampshire	120.92	6	123.77	6	136.14	6	145.05	5	141.53	6	129.05	8	121.12	9	121.50	11	133.92	9	145.48	10	131.85	8
New Jersey	111.87	9	122.54	7	131.23	8	137.14	8	147.59	5	145.48	5	149.04	5	156.26	5	159.92	7	165.67	8	142.67	6
New Mexico	45.79	28	47.63	30	47.04	31	45.70	32	43.30	33	39.63	36	38.56	37	37.27	38	32.95	39	33.52	39	41.14	37
New York	142.33	4	155.70	4	165.70	4	182.28	3	184.31	3	188.01	3	185.18	3	181.14	3	182.88	3	189.52	3	175.70	3
North Carolina					22.72	41	51.28	27	65.89	25	84.97	20	91.02	19	91.14	21	98.44	20	102.76	20	76.03	22
North Dakota																						
Ohio	101.66	11	105.76	12	110.78	14	117.72	14	118.68	12	117.01	11	119.30	10	126.63	10	130.58	12	123.41	13	117.15	14
Oklahoma					36.13	35	27.25	40	24.26	41	20.92	41	23.89	42	27.66	41	25.16	42	23.22	42	26.06	41
Oregon	36.72	31	37.00	34	35.30	37	34.50	37	32.82	38	29.50	39	29.81	40	30.06	40	30.14	40	29.79	41	32.56	39
Pennsylvania	79.77	15	99.33	14	128.04	9	137.38	7	137.65	8	139.14	7	138.42	8	152.15	6	167.23	5	180.45	5	135.96	7
Rhode Island	69.55	17	68.73	21	76.34	20	72.71	21	74.15	22	77.96	21	73.77	24	73.04	25	79.95	24	80.88	24	74.71	23
South Carolina	127.90	5	137.83	5	161.97	5	140.33	6	138.41	7	141.40	6	140.64	6	151.90	7	160.55	6	168.79	6	146.97	5
South Dakota	19.00	39	20.63	39	23.15	40	22.78	41	25.85	40	24.63	40	24.88	41	26.95	42	29.74	41	29.81	40	24.74	42
Tennessee	61.34	23	101.53	13	116.04	13	124.38	12	116.36	13	121.32	9	140.47	7	149.68	8	147.96	8	167.64	7	124.67	10
Texas	101.93	10	120.24	8	127.17	11	119.56	13	114.56	14	112.56	13	111.33	15	112.11	15	118.43	17	121.85	15	115.97	15
Vermont	115.50	7	119.00	9	132.21	7	133.25	9	128.90	10	118.65	10	114.82	13	114.63	14	119.07	16	118.56	18	121.46	12
Virginia	84.12	13	90.61	16	95.74	16	90.68	17	89.09	18	87.39	18	90.02	20	95.17	19	102.87	18	107.40	19	93.31	18
Washington	44.84	29	47.52	31	48.49	30	50.03	29	50.85	29	45.51	30	42.89	35	45.80	35	46.13	35	51.07	35	47.31	32
West Virginia	61.00	24	62.11	23	66.18	24	59.16	25	61.59	26	62.39	26	53.40	29	63.38	28	63.44	29	58.59	33	61.12	27
Wisconsin	48.49	27	47.82	29	50.97	29	50.01	30	50.76	30	47.95	29	47.52	32	52.73	33	55.91	33	56.38	34	50.85	31
National Average	80.90		88.75		91.70		92.82		95.55		93.21		94.48		98.63		103.69		107.73		94.75	

**Data compiled from La Fleur's World Lottery Almanac

Draw Sales Per Capita by State

	FY 2004		FY 2005		FY 2006		FY 2007		FY 2008		FY 2009		FY 2010		FY 2011		FY 2012		FY 2013		10 Year Average	
	Draw Sales Per Capita	Rank	Draw Sales Per Capita	Rank	Draw Sales Per Capita	Rank	Draw Sales Per Capita	Rank	Draw Sales Per Capita	Rank	Draw Sales Per Capita	Rank	Draw Sales Per Capita	Rank	Draw Sales Per Capita	Rank	Draw Sales Per Capita	Rank	Draw Sales Per Capita	Rank	Draw Sales Per Capita	Rank
Arizona	32.16	33	31.20	33	37.10	34	31.93	35	33.92	37	31.15	37	32.51	38	31.45	37	35.48	38	38.68	34	33.56	36
Arkansas													16.57	44	25.40	43	28.11	43	28.55	44	24.65	44
California	46.78	26	44.48	23	45.85	27	40.82	29	40.72	29	36.20	29	37.29	31	38.55	27	43.37	28	37.46	38	41.15	29
Colorado	30.51	34	29.19	35	37.22	32	32.41	34	34.65	36	33.02	35	34.72	35	34.15	34	35.54	37	37.53	37	33.89	35
Connecticut	99.91	11	97.25	11	109.33	10	103.46	11	108.34	11	108.11	10	114.40	9	115.11	10	121.47	10	126.65	8	110.40	10
Delaware	139.33	7	142.28	6	155.39	6	142.03	7	149.61	6	142.18	7	165.15	4	136.12	8	145.73	8	104.49	11	142.23	8
District of Columbia	252.74	1	248.54	1	283.25	1	240.47	1	230.78	1	224.58	1	205.12	3	196.18	3	212.95	3	286.85	1	238.14	1
Florida	94.73	13	89.60	13	102.75	12	100.46	12	98.69	12	101.32	12	98.51	12			100.81	13	101.49	12	98.71	12
Georgia	112.83	9	101.52	10	98.98	13	115.86	9	114.89	9	117.54	9	99.38	11	118.50	9	126.13	9	100.60	13	110.62	9
Idaho	29.10	36	25.57	40	35.94	35	31.55	36	34.97	35	34.20	33	37.72	29	36.29	30	48.73	23	55.07	22	36.91	32
Illinois	71.22	17	71.63	17	75.37	18	74.37	16	74.70	16	73.97	16	77.36	16	77.19	14	80.79	16	82.89	15	75.95	16
Indiana	51.62	23	43.44	25	49.04	24	44.27	26	46.39	25	40.17	26	42.76	25	43.89	23	46.21	25	48.58	24	45.64	24
Iowa	37.76	29	35.80	28	77.65	17			37.10	31	35.40	32	37.22	32	35.10	33	40.37	32	44.32	28	42.30	27
Kansas	47.76	25	38.93	27	47.66	25	44.75	25	43.70	26	40.41	25	38.83	28	40.55	25	42.99	29	40.82	32	42.64	26
Kentucky	89.81	14	78.55	16	80.58	16	72.52	17	71.46	17	70.62	17	60.99	17	67.92	16	73.21	17	65.67	18	73.13	17
Louisiana	50.81	24	45.11	22	47.35	26	51.06	21	54.92	21	52.35	20	52.19	22	52.00	20	59.97	19	61.47	21	52.72	21
Maine	28.31	37	44.15	24	49.45	23	46.58	23	48.58	22	43.64	24	49.44	23	45.32	22	48.14	24	48.41	25	45.20	25
Maryland	185.79	3	195.49	3	204.57	3	205.75	3	207.00	3	207.60	2	211.91	1	212.81	1	224.52	1	214.28	3	206.97	3
Massachusetts	217.36	2	207.06	2	216.59	2	214.07	2	207.39	2	204.52	3	210.58	2	211.87	2	222.91	2	223.60	2	213.60	2
Michigan	127.11	8	139.29	7	148.67	7	160.87	5	159.60	4	162.83	4	160.84	6	162.09	5	165.32	5	166.67	5	155.33	5
Minnesota	33.59	30	30.33	34	35.65	36	30.73	37	31.45	39	29.57	41	30.41	40	28.28	41	31.15	42	36.27	39	31.74	39
Missouri	61.56	19	54.79	19	62.51	21	58.34	19	60.50	18	55.29	18	55.52	19	55.54	18	59.03	20	63.19	20	58.63	18
Montana	29.27	35	25.90	38	31.86	38	29.15	39	30.98	40	31.12	38	33.24	37	31.63	36	36.97	36	38.94	33	31.91	38
Nebraska	27.24	38	26.33	37	31.22	39	30.48	38	32.37	38	32.30	36	35.14	34	33.13	35	37.91	35	41.35	31	32.75	37
New Hampshire	61.39	20	51.60	20	65.97	19	57.69	20	59.00	19	51.98	21	55.51	20	51.08	21	58.74	21	65.66	19	57.86	19
New Jersey	139.67	6	138.88	8	145.38	8	133.12	8	144.26	8	141.17	8	149.27	7	145.63	6	153.58	7	151.37	7	144.23	7
New Mexico	32.45	32	25.65	39	34.34	37	28.38	40	30.30	41	31.12	39	33.65	36	29.35	40	31.98	41	34.47	40	31.17	40
New York	159.52	4	157.19	4	170.42	4	162.41	4	157.91	5	155.33	5	162.57	5	164.08	4	175.39	4	172.24	4	163.71	4
North Carolina					3.14	43	43.41	27	48.08	24	51.56	22	60.19	18	63.33	17	67.32	18	68.83	17	50.73	22
North Dakota			31.88	31	37.21	33	37.74	32	36.87	32	33.59	34	37.00	33	35.17	32	39.82	34	38.50	35	36.42	33
Ohio	85.71	15	81.99	15	82.34	15	78.75	15	83.51	14	92.64	13	96.63	13	98.49	12	106.79	11	109.75	9	91.66	13
Oklahoma					22.40	42	32.50	33	35.26	34	30.96	40	29.75	42	25.56	42	27.90	44	28.78	42	29.14	41
Oregon	63.92	18	63.05	18	65.55	20	61.35	18	56.31	20	53.08	19	54.59	21	52.29	19	53.34	22	54.30	23	57.78	20
Pennsylvania	109.92	10	113.96	9	119.56	9	110.71	10	111.48	10	105.32	11	104.25	10	101.78	11	106.57	12	109.17	10	109.27	11
Rhode Island	157.18	5	151.16	5	161.04	5	149.88	6	145.16	7	147.68	6	148.19	8	145.22	7	156.60	6	160.19	6	152.23	6
South Carolina	98.29	12	90.01	12	104.22	11	84.25	14	82.14	15	77.25	15	78.46	15	75.88	15	82.03	15	82.35	16	85.49	15
South Dakota	23.68	39	20.00	41	26.15	41	26.99	41	27.19	43	25.49	43	30.61	39	29.88	38	34.60	39	38.06	36	28.26	43
Tennessee	11.15	40	31.30	32	38.63	31	46.29	24	43.41	27	38.81	27	26.79	43	37.54	29	41.12	31	28.67	43	34.37	34
Texas	53.09	22	42.54	26	40.59	30	38.35	30	36.53	33	37.44	28	39.42	27	37.94	28	43.81	27	43.62	29	41.33	28
Vermont	38.47	28	35.32	29	42.55	28	40.94	28	41.08	28	35.69	30	41.90	26	39.07	26	42.43	30	44.52	27	40.20	30
Virginia	84.19	16	87.25	14	93.89	14	86.24	13	88.66	13	85.47	14	91.64	14	91.29	13	97.32	14	97.11	14	90.31	14
Washington	32.81	31	26.38	36	27.36	40	25.75	42	29.32	42	26.79	42	29.90	41	29.87	39	32.17	40	30.64	41	29.10	42
West Virginia	53.93	21	45.77	21	54.98	22	47.87	22	48.43	23	46.12	23	45.88	24	42.67	24	45.80	26	46.92	26	47.84	23
Wisconsin	39.32	27	34.34	30	41.56	29	37.99	31	37.58	30	35.56	31	37.35	30	35.92	31	40.14	33	42.19	30	38.20	31
National Average	78.55		74.99		80.03		76.96		76.63		74.68		74.80		73.51		79.66		80.48		77.03	

**Data compiled from La Fleur's World Lottery Almanac

U.S. Lotteries' FY13 Agent Commissions and Incentive Plans

State	FY Sales		FY Retailer Incentives		Sales Commission	Cashing Bonus	Incentive Plan Description
	Traditional Lottery	Net VLT	Traditional Lottery	VLT			
Arizona	\$692.9		\$47.1		6.5%	0.5%	Retailers can earn an extra 0.5% commission based on sales performance over prior fiscal year. Additional bonuses are paid for selling a winning Powerball, The Pick, Pick 5 or Raffle ticket.
Arkansas	\$439.5		\$24.9		5.0%	1%	Lottery pays 1% cashing bonus and 1% bonus for selling winning ticket of \$10,000 (\$50,000 cap).
California	\$4,445.9		\$303.2		6% (instant & online); 4.5% (SST)	1% (instant); 3% (online)	Retailers can earn cashing bonus of 1% for selling winning Scratchers (\$1-\$599) and 3% cashing bonus for selling winning draw game prize (\$99-\$599).
Colorado	\$566.3		\$42.2		7% (instant); 6% (online)	1%	Retailers can earn up to double commission on scratch and draw sales that exceed prior year sales (capped at 0.5% bonus of total sales). Lottery pays a 1% cashing bonus (up to \$599).
Connecticut	\$1,122.7		\$62.8		5%	1%	Retailers accumulate premium points by selling certain scratch or online games. There are two ways to redeem points: POS items and gift certificates from national and regional merchants. Retailers earn a bonus for selling winning ticket for scratch or draw games.
Delaware ¹	\$242.5	\$396.8	\$213.7	\$159.7	5%	1%	Lottery pays a 1% redemption bonus (all games) and sales commission of 2% for \$100+ instant winners, the greater of 1% or \$1,000 for MultiWin Lotto jackpot, 1% for \$200,000 Powerball, 1% for \$200,000 and PowerPlay, \$5,000 for Hot Lotto, \$1,000 for \$30,000 Powerball and \$10,000 for winning PB Jackpot.
D.C.	\$144.1		\$15.4		5%	4% (instant); 3% (online)	The lottery pays a 4% cashing bonus for validating instant (under \$600) and 3% bonus for online validations (under \$600). Additional bonuses are paid for selling a winning scratch or online ticket.
Florida	\$5,013.0		\$252.8		5%	1%	The lottery pays a 1% cashing bonus on all prizes paid. Retailers earn a selling bonus for top prize ticket sellers for Lucky Lines, Florida Lotto, PowerBall and Mega Money.
Georgia	\$3,912.2		\$233.2		6%	2%	
Idaho	\$197.6		\$11.5		5%	1%	Retailers earn a 1% cashing bonus. The lottery pays 5% or 10% on lotto prizes depending on amount. Powerball is capped at \$50,000. The lottery pays a 12% bonus on mid-tier instant sales over \$500 (\$20,000 cap).
Illinois	\$2,841.3		\$160.6		5%	1%	The lottery pays a 1% selling bonus on prizes \$1,000 or greater (\$500,000 cap on Mega Millions).
Indiana	\$934.0		\$63.5		5.5% (instant); 6% (online)	1%	The lottery pays 1% cashing bonus. Retailers can earn bonuses through retailer rewards program for sales growth & other activities. Agents can earn jackpot bonuses for Powerball, Mega Millions, Quick Draw, Hoosier Lotto and Mix & Match.
Iowa	\$339.3		\$22.1		5.5% (instant); 6% (online); 5% (pull-tab)		Can become "Gold Star" member and increase commission to 7%. Sliding scale Lotto sales bonus for exceeding established sales base. Peak sales bonus which is a 0.5% sales bonus when Powerball or Mega Millions jackpot is \$150M or higher. Also various high-tier prize selling bonuses.
Kansas	\$255.8		\$14.3		5%	1% (up to \$599); 2% (up to \$599 for Keno)	The lottery pays a 1% cashing bonus for all prizes (up to \$599) for all products except Keno and Kansas Hold'em which are set at 2%. Selling bonus as follows: \$10,000 Powerball & Mega Millions jackpot, \$1,000 for non-jackpot or Keno winner, Raffle or Super Kansas Cash, \$2,500 for Hot Lotto, 1% for selling \$600 plus winner not listed above. Retailers are paid .0025% of online sales for problem tickets.
Kentucky	\$846.7		\$52.2		5%	1%	Lottery pays 1% (cashing) as well as 1% bonus for all prizes sold over \$600 (maximum \$100,000). The lottery pays up to 1.25% on instant sales if weekly average exceeds \$1,000. Retailers with a weekly average less than \$1,000 receive an incremental bonus up to 1% for percentage improvement over previous quarter. Retailers receive 2% of incremental sales online sales increase.
Louisiana	\$447.4		\$24.8		5%	1%	Easy 5 and Lotto jackpot retailers receive 1% of Powerball Match 5 prize (\$2,000 to \$10,000) Powerball jackpots receive 1% (capped at \$25,000). Validations are paid on a sliding scale.
Maine	\$227.7		\$14.7		7% (instant); 5% (online)		None
Maryland	\$1,756.1	\$560.7	\$120.8		5.0%	3%	The lottery pays a 3% cashing fee, runs various agent incentives and pays bonus for selling winning jackpot tickets.
Massachusetts	\$4,839.3		\$276.5		5%	1%	The lottery pays a 1% cashing bonus for all products.
Michigan	\$2,476.4		\$178.4		6%	2% (up to \$600)	A 2% bonus is paid for redeeming winning tickets (up to \$600) and a 2% commission is paid on prize values greater than \$600 to \$100,000. A flat \$2,000 bonus is paid on prizes greater than \$100,000, a \$50,000 bonus for Mega Millions jackpot and a \$5,000 bonus for Lotto jackpot. Agents can also earn an extra 1% commission on their instant sales on a quarterly basis based on sales.
Minnesota	\$560.4		\$33.6		5.5%	1% (up to \$600)	The lottery pays a 1% cashing fee to retailers for tickets (cashed under \$600). There are bonuses for selling the winning jackpot or high value online tickets.
Missouri	\$1,141.2		\$70.3		5%	2%	There is a 2% bonus for those retailers who participate in the cashing bonus program (up to \$600). Retailers earn various bonuses for selling winning high-tier draw tickets.
Montana	\$57.0		\$3.4		5%		Lottery pays 5% to 10% additional commission sold over their established instant base on a quarterly basis. For each 2% increase the retailer gets an additional 0.5% up to 10% commission.
Nebraska	\$160.8		\$9.8		5%	1% (instant)	The lottery pays 1% for scratch retailers for following the Merchandising Plan agreement. There is a 1% scratch validation bonus to all retailers who are on the lottery's EZStock method of scratch ticket distribution. There is a 1% high sellers bonus for winning ticket of \$1,000+ (\$50,000 cap).
N. Hampshire	\$279.3		\$16.6		5%	1% (N.H. games only)	There is 1% cashing bonus for Pick 3, Pick 4 and Instant. Bonus paid for selling: 1% of Powerball, Hot Lotto, Megabucks and Weekly Grand for 1st and 2nd tier jackpots (and 3rd tier w/ PB) maximum of \$30,000.
New Jersey	\$2,821.4		\$157.9		5%	1.25% (up to \$600)	There is a 1.25% cashing commission for prizes up to \$600. Various selling bonuses for selling high-tier winning tickets.
New Mexico	\$141.8		\$9.1		6%	1%	Lottery pays a 1% cashing fee and jackpot bonuses for selling Powerball, Hot Lotto or Roadrunner Cash.
New York ¹	\$7,108.9	\$1,825.4	\$426.5	\$810.9	6%		None
N. Carolina	\$1,689.8		\$118.1		7%		None
North Dakota	\$27.8		\$1.4		5%		None
Ohio	\$2,697.9	\$165.5	\$166.9	\$110.1	5.5% (instant); 5.5% (online)	Up to 1.5%	An agent can earn up to a 1.5% if cashing percentage is greater than or equal to 50% of sales. The lottery pays a 1% commission on high tier instant prizes (\$10,000 cap).
Oklahoma	\$200.2		\$13.1		6%	0.75% cashing fee	The lottery pays a cashing commission of 0.75%. Retailers earn various bonuses for selling winning draw jackpot tickets.
Oregon ¹	\$330.5	\$737.4	\$28.2	\$176.7	5-10%	1%	1% cashing bonus for prizes less than \$600. 1% of online prizes above \$10,000 sold (\$100,000 cap).
Pennsylvania	\$3,699.4		\$196.1		5%		Promotional bonus commissions. Bonus commission for holiday games.
Rhode Island	\$253.4	\$520.7	\$30.9	\$200.4	5% (instant); 8% (online)	1% (instant)	The lottery pays 1% commission for cashing instant tickets.
South Carolina	\$1,199.2		\$83.9		7%	1% (up to \$50,000)	Lottery pays 1% bonus for selling a winning ticket worth \$10,000 or more (capped at \$50,000).
South Dakota ¹	\$57.2	\$184.6	\$3.1		5%	1%	Agents can earn 1% cashing bonus for tickets \$100 or less and 1% bonus for selling prize winning ticket over \$100. Lottery pays various bonuses for selling high tier winning tickets.
Tennessee	\$1,367.6		\$89.3		6.5%	1% on Cash 3 and Cash 4	\$25,000 selling bonus for selling winning Powerball or Mega Millions jackpot ticket.
Texas	\$4,376.3		\$218.9		5%		No cashing commission. Retailers can win free packs of tickets via sales contests for specific games throughout the year (average one contest per quarter). Bonuses paid for selling top-prize winning ticket for instant and online games. The lottery runs three 13-week sales incentive program for instant and online games. Retailers who meet their goal are entered into drawing for additional incentive prizes ranging from \$500 to \$50,000.
Vermont	\$102.1		\$6.0		5.75%		There is a 1% bonus for selling a winning ticket (\$500+). The bonus is capped at \$30,000.
Virginia	\$1,689.2		\$95.0		5%	1%	The lottery pays a 1% cashing bonus (online and scratcher) and offers periodic retailer incentives.
Washington	\$569.6		\$35.2		6%		Retailers receive an additional 1% commission for the sale of lotto tickets when the jackpot is \$6 million or more. Retailers earn various bonuses for selling winning draw jackpot tickets.
West Virginia ¹	\$195.6	\$1,059.6	\$13.7	\$570.2	7%	1% (up to \$600)	The lottery pays a 1% cashing bonus (up to \$600) and 1% selling bonus for selling winning ticket over \$600 (\$100,000 cap).
Wisconsin	\$565.8		\$39.1		6.25% (instant); 5.5% (online)		The lottery pays 2% bonus for selling winning ticket of \$600+ (capped at \$100,000), 2% for quarterly sales increase for online and instant games and up to 10% payment for annual sales increase.
Total	\$63,033.1	\$5,450.7	\$4,000.9	\$2,027.9			

¹ Traditional represents commissions paid for instant and online games (no VLT commissions)**Sources:** La Fleur's 2014 World Lottery Almanac © 2014 TLF Publications, Inc. All rights reserved. State Lotteries' websites and financial statements as needed.

	Missouri Lottery									
	Major Service Contracts - July 2014									
	Company	Description	RFP Number	Contract Start Date	Expiration Date	Renewal Options	Additional Comments	Pricing	Amount Paid to vendor	Previous contract information
1	Arizona Gaming Designs, LLC	Pick 3/Pick 4 One-off licensing agreement	n/a; Single Feasible Source	12/21/2012	one year from start of sales (June 16, 2014)	Extended month-to-month beg 6/16/2014	Must notify AZ Gaming at least 90 days prior to end of the current term or agreement is deemed renewed.	Sliding scale ranging from 2% to 2.85% of the Pick 3 and Pick 4 net sales increase. Beginning Aug 2014, rate changed to a GTECH-customer group discounted price of \$8,294 per month for 2014 with 2015 fees calculated on 2014 sales.	\$171,926 in FY14	N/A
2	Barkley, Inc.	Advertising	00364	10/8/2010	6/30/2013	4 one-year periods	Renewed for one year through June 30, 2015 per 1/24/2014 agreement. Price is unchanged during renewal period and includes added value of social media strategy, promotion, and execution; art including animated graphics for statewide Web promotions; development and execution of a new experiential marketing plan; a new event ambassador program; and unlimited POS projects.	8.875% of Actual Net Cost of Media Placed*	Object 2466 (Advertising Services - Media Purchase) \$1,299,980 in FY08- paid \$1,239,885 to Adamson \$1,236,819 in FY09 - paid \$1,168,455 to Adamson \$1,850,163 in FY10 - paid \$1,781,778 to Adamson \$7,943,537 in FY11 - paid \$1,410,011 to Adamson, \$6,458,852 to Barkley \$7,226,777 in FY12 - paid \$7,218,652 to Barkley \$10,581,763 in FY13 - all paid to Barkley \$14,041,046 in FY14 - all paid to Barkley Object 2544 (Other Professional Services - Media and Point-of-Sale Production) \$671,335 in FY08 to Adamson \$582,172 in FY09 to Adamson \$722,098 in FY10 to Adamson \$1,462,536 in FY11 - \$571,183 to Adamson and \$888,353 to Barkley \$1,206,643 in FY12 to Barkley \$2,064,777 in FY13 to Barkley \$1,958,954 in FY14 to Barkley Note: in FY14 had special approp 8652 for adv & related costs. The \$14,041,046 to object 2466 and \$1,958,954 to object 2544 total \$16 million.	Adamson Advertising - St. Louis was previous vendor utilizing an OA statewide contract. 1/1/06 – 12/31/06 initial contract period, renewable on a year to year basis for up to four additional years. Renewed through 12/31/10. Rate was 8.25% of total media purchased, 15% of media production/broadcast and 10% of Promotional/Collateral Material Production and Distribution. 4% increase in price in the second and third renewal periods, 8% increase in the fourth renewal period.
3	Christian Service Company, LLC	HQ Janitorial Services (Note: regional janitorial svcs are bid through OA)	00477	7/1/2014	6/30/2015	2 additional one-year renewals.		\$2,225 per month	\$43,980 in FY08 - After Hours \$43,980 in FY09 - After Hours \$44,130 in FY10 - After Hours - add'l \$150 was paid to clean chairs - so regular monthly cleanings (\$3665 x 12 = \$43,980) \$39,582 in FY11 - After Hours \$39,582 in FY12 - After Hours \$33,015 in FY13 - paid After Hours \$19,791 and paid A L Andrews \$13,224 (they started in Jan. 2013) \$26,448 in FY14 - A L Andrews	Archie L. Andrews Janitorial Services - 1/1/13 - 6/30/14 initial contract period. Rate was \$2,204 per month. Did not renew. After Hours Building Maintenance - 8/21/00 - 6/30/01 initial contract period. Renewed annually through 12/31/2012.
4	Clifton, Larson, Allen	Auditing Services	00419	4/1/2013	6/30/2014	3 additional one-year renewals.	Renewed through 6/30/2015 at renewal pricing.	\$43,968 for 2013 and 2014 audits; 2% increase for the second option year extension.	\$28,000 in FY08 to Cochran Head - for 6/30/07 audit \$35,900 in FY09 to Berberich Trahan - for 6/30/08 audit \$35,900 in FY10 to Berberich Trahan - for 6/30/09 audit \$35,900 in FY11 to Berberich Trahan - for 6/30/10 audit \$38,488 in FY12 to UHY LLP - for 6/30/11 audit \$41,450 in FY13 to UHY LLP - for 6/30/12 audit \$46,368 in FY14 to CliftonLarson Allen - for 6/30/13 audit	UHY LLP - St. Louis was previous vendor. 3/1/11 – 6/30/12 initial contract term with mutually agreeable renewals on a year-to-year basis thereafter.

	Missouri Lottery									
	Major Service Contracts - July 2014									
	Company	Description	RFP Number	Contract Start Date	Expiration Date	Renewal Options	Additional Comments	Pricing	Amount Paid to vendor	Previous contract information
5	Diamond Game	Pull-Tab Pilot Program	n/a; Single Feasible Source	5/15/2013	One year from installation of first pull-tab dispenser (Oct 2014)	3 additional one-year renewals.		45% of Total Net Compensation (defined as sales less prizes plus expired vouchers)	\$771,835 in FY14	N/A
6	GTECH Corporation	Instant Ticket Vending Machines	00318	3/5/2007	6/30/2012	mutually agreeable year to year basis	Amendment dated Aug 3, 2011 extends agreement to June 30, 2015. CURRENTLY BEING REBID	0.9075% of Total Net Weekly Draw Games Sales	\$1,320,858 in FY08 \$1,721,995 in FY09 \$1,858,903 in FY10 \$2,274,069 in FY 11 \$3,174,186 in FY12 \$3,464,433 in FY13 \$3,388,670 in FY14	Contract was awarded to GTECH in 2007 at a rate of \$94 per month for 500 4-bin machines and \$245 per month for 620 24-bin machines. Aug 2011 amendment changed compensation from a per machine monthly rate to .9075% of total net weekly Draw Games sales and provided 450 additional new Gemini all-games vending machines in addition to existing machines.
7	GTECH Corporation	Computer Gaming System & Related Services	B2Z05003	7/1/2005	6/30/2012	3 one-year periods; plus an additional five one-year periods if mutually agreeable	Amendment dated Aug 3, 2011 extends agreement to June 30, 2015. CURRENTLY BEING REBID	3.4976% of Total Net Weekly Draw Games Sales	\$8,651,532 in FY08 \$8,292,259 in FY09 \$8,523,519 in FY10 \$8,527,043 in FY11 \$12,096,999 in FY12 \$13,339,280 in FY13 \$12,986,906 in FY14	Contract was awarded to GTECH in 2005 at a rate of 2.56% of total net weekly Draw Games sales. Aug 2011 amendment changed compensation to 3.4976% of total new weekly Draw Games sales and eliminated previous communications contract charges of either \$92 or \$59 per month per retailer terminal(depending on date of installation).
8	GTECH Corporation	Communication Solution	B2Z07026	4/12/2007	6/30/2012	8 additional one-year periods	Amendment dated Aug 3, 2011 extends agreement to June 30, 2015. CURRENTLY BEING REBID	No cost/rolled into Computer Gaming System percentage.	\$3,864,233 in FY08 \$3,899,893 in FY09 \$3,867,090 in FY10 \$3,901,281 in FY11 \$341,017 in FY12	Communications was paid for separately prior to Aug 2011 amendment and is now rolled into Computer Gaming System and Related Servcies percentage. See above.
9	GTECH Corporation	Secondary Scratchers Printing**	B2Z11038	4/14/2011	6/30/2014	Up to 7 one-year renewals.	Amendment dated Feb 2014 extends to June 30, 2015.	Various price per thousand based on ticket size	none in FY08, FY09 and FY10 \$70,000 in FY11 \$439,512 in FY12 \$112,600 in FY13 \$105,578 in FY14	Scientific Games International – Alpharetta, GA. 07/01/01 – 06/30/05 initial contract period with one two-year renewal available through 06/30/07 and four mutually agreeable one-year renewals thereafter. Renewed through 6/30/2011. Rate was 1.15% of net Scratchers ticket sales.
10	Nichols, Stopp, and Van Hoy	Drawing Observation Services	00365	2/1/2011	6/30/2012	mutually agreeable year to year basis	Renewed through 6/30/2015 at renewal pricing.	\$95/hour with 4%, 8%, 12% and 16% increases on each annual renewal.	In FY11 - they changed their name to Nichols Stopp and Van Hoy \$124,589 in FY08 \$124,398 in FY09 \$124,610 in FY10 \$130,158 in FY11 \$141,265 in FY12 \$144,717 in FY13 \$149,847 in FY14	Nichols, Ziemann, Ahmed & Co. –St. Louis, MO was previous vendor. 10/1/03 – 12/31/05 initial contract period. Renewed through 12/31/10. Extended through 2/28/11.

	Missouri Lottery									
	Major Service Contracts - July 2014									
	Company	Description	RFP Number	Contract Start Date	Expiration Date	Renewal Options	Additional Comments	Pricing	Amount Paid to vendor	Previous contract information
11	Pollard-Banknote	Secondary Scratchers Printing**	B2Z11038	4/14/2011	6/30/2014	Up to 7 one-year renewals.	Amendment dated Feb 2014 extends to June 30, 2015.	Various price per thousand based on ticket size	none in FY08, FY10 and FY11 \$67,176 in FY09 \$988,424 in FY12 \$1,393,027 in FY13 \$2,296,114 in FY14	Scientific Games International – Alpharetta, GA. 07/01/01 – 06/30/05 initial contract period with one two-year renewal available through 06/30/07 and four mutually agreeable one-year renewals thereafter. Renewed through 6/30/2011. Rate was 1.15% of net Scratchers ticket sales.
12	Scientific Games International, Inc.	Scratchers Printing**	B2Z11038	4/14/2011	6/30/2014	Up to 7 one-year renewals.	Amendment dated Sept 2013 extends to June 30, 2015. Price is unchanged during renewal period and includes two separate single-day retailer sales training sessions, special printed tickets, licensed games and retail dispensers.	.799% of net Scratchers ticket sales	\$8,329,477 in FY08 \$7,645,445 in FY09 \$7,583,111 in FY10 \$7,809,671 in FY11 \$5,298,134 in FY12 \$5,409,748 in FY13 \$5,578,981 in FY14 - cash basis	Scientific Games International – Alpharetta, GA. 07/01/01 – 06/30/05 initial contract period with one two-year renewal available through 06/30/07 and four mutually agreeable one-year renewals thereafter. Renewed through 6/30/2011. Rate was 1.15% of net Scratchers ticket sales.
13	Scientific Games International, Inc.	Points for Prizes Loyalty Program	n/a; extension of Scientifica Games' Scratchers Printing contract	Oct-11	Oct-13		Original agreement included refresh of Lottery website and complete exclusive portfolion of licensed properties. Amendment dated 9/17/2013 extends agreement to October 21, 2014. Price is unchanged during renewal period and includes mobile app additions and enhancements and inclusion of Draw Games players in the program.	1.15% of the net prize fund	\$4,044,375 in FY13 \$5,714,443 in FY14	N/A
14	Shoutlet	Content management subscription	00421	3/19/2013	6/30/2014	3 additional one-year renewals.	Renewed through 6/30/2015. Price is unchanged during renewal period.	\$35,000 for 12-month subscription	\$30,000 in FY12 \$43,750 in FY13 (included 15 months) awaiting invoice for FY14	Shoutlet - 3/19/12 - 3/18/13 initial contract term. Rate was \$30,000 for the year.
	*Note: This percentage is inclusive of media purchase, media production and promotional/collateral material production and distribution.									
	**Scientific Games is the primary contractor; the RFP states the primary contractor "will print no less than 80% of the annual potential of Scratchers sales". GTECH and Pollard are secondary contractors; the RFP states the second contractors "could print up to 20% of the annual potential of Scratchers sales."									

	FY 2004		FY 2005		FY 2006		FY 2007		FY 2008		FY 2009		FY 2010		FY 2011		FY 2012		FY 2013		10 Year Average	
	Total Advertising Budget	Rank	Total Advertising Budget	Rank	Total Advertising Budget	Rank	Total Advertising Budget	Rank	Total Advertising Budget	Rank	Total Advertising Budget	Rank	Total Advertising Budget	Rank	Total Advertising Budget	Rank	Total Advertising Budget	Rank	Total Advertising Budget	Rank	Total Advertising Budget	Rank
Arizona	8.82	13	10.73	13	10.19	14	10.70	16	9.90	17	15.00	12	14.00	11	14.00	11	14.00	13	15.50	12	12.28	13
Arkansas													5.00	29	5.00	29	4.50	31	4.50	31	4.75	30
California	37.27	2	33.97	2	36.29	2	41.29	2	28.35	5	42.19	2	33.67	3	45.43	2	47.83	2	56.04	2	40.23	2
Colorado	6.40	20	7.27	19	7.18	19	7.43	23	7.08	27	9.29	19	11.93	13	11.58	15	10.14	18	10.75	16	8.90	19
Connecticut	5.74	25	5.47	25	6.47	23	6.21	27	9.78	18	10.79	16	9.51	17	10.61	17	10.53	16	10.62	17	8.57	21
Delaware	2.50	34	2.50	32	2.50	33	2.70	36	2.67	36	2.39	36	2.67	37	2.90	35	2.90	35	2.90	37	2.66	38
District of Columbia	5.80	24	5.12	26	5.50	25	5.75	28	4.57	30	4.89	29	5.26	28	6.00	28	6.20	28	6.20	28	5.53	29
Florida	29.73	5	26.50	5	24.66	5	29.79	5	29.81	4	34.28	3	33.64	4	33.15	4	33.41	6	37.72	4	31.27	5
Georgia	19.86	6	19.50	6	19.39	7	19.65	9	20.28	7	15.98	11	25.23	6	21.13	8	20.56	8	18.80	10	20.04	8
Idaho	2.30	35	2.31	34	2.06	37	2.46	37	2.31	37	2.99	33	3.28	32	3.07	33	3.37	33	3.58	33	2.77	37
Illinois	18.00	9	Did not report		Did not report		21.00	6	16.33	11	25.00	6	22.54	7	26.84	6	43.63	3	42.90	3	27.03	6
Indiana	7.54	17	8.31	16	8.22	17	9.00	19	7.12	26	9.25	20	10.95	16	11.50	16	10.45	17	10.21	19	9.25	18
Iowa	6.12	21	5.91	24	Did not report		6.28	26	7.31	23	7.00	27	7.54	22	6.65	26	6.60	27	6.60	27	6.67	25
Kansas	2.70	29	2.60	30	2.60	32	2.90	34	2.93	33	2.67	35	2.91	36	2.75	36	2.49	36	3.30	36	2.79	36
Kentucky	10.52	12	9.98	15	10.41	13	11.15	14	11.61	14	9.08	21	9.05	19	8.90	19	8.94	19	8.71	21	9.83	16
Louisiana	7.85	16	7.97	17	7.97	18	7.00	25	7.25	24	7.25	25	7.03	26	7.48	24	7.47	24	7.50	25	7.48	23
Maine	2.61	30	2.91	29	2.91	31	2.91	33	2.91	34	2.91	34	3.21	33	3.31	31	3.31	34	3.51	34	3.05	35
Maryland	13.03	11	13.65	11	15.74	11	17.68	11	18.58	10	18.23	10	12.63	12	11.59	14	11.06	14	12.47	14	14.46	11
Massachusetts	3.28	27	10.00	14	10.00	15	10.00	17	10.00	15	10.00	18	2.00	39	2.00	39	2.00	39	5.00	30	6.43	27
Michigan	18.62	8	18.62	8	18.62	8	18.62	10	18.62	9	18.62	9	18.62	9	17.69	10	17.69	11	18.62	11	18.44	9
Minnesota	5.90	23	6.30	21	6.70	22	7.18	24	6.60	28	6.48	28	7.22	24	6.53	27	7.44	25	7.53	24	6.79	24
Missouri	3.05	28	2.15	35	2.07	36	1.50	40	1.30	39	1.17	40	1.93	40	7.99	23	7.27	26	12.00	15	4.04	31
Montana	0.80	39	0.83	38	0.72	40	0.73	42	0.73	42	1.07	41	1.05	42	0.89	41	0.77	42	0.77	42	0.83	42
Nebraska	2.57	32	3.18	28	3.39	29	3.25	31	3.42	31	3.69	31	4.27	30	4.62	30	5.25	29	5.20	29	3.88	32
New Hampshire	2.60	31	2.50	32	2.50	33	2.80	35	3.39	32	3.35	32	3.20	34	3.20	32	3.51	32	3.49	35	3.05	34
New Jersey	8.80	14	14.96	9	16.06	10	13.53	12	9.74	19	9.00	22	7.20	25	10.41	18	20.36	9	21.90	7	13.20	12
New Mexico	2.51	33	2.58	31	3.00	30	3.00	32	2.20	38	2.20	38	2.28	38	2.30	38	2.28	38	2.30	38	2.46	39
New York	71.08	1	72.80	1	81.47	1	80.98	1	88.11	1	85.23	1	84.85	1	92.08	1	91.64	1	92.25	1	84.05	1
North Carolina					3.76	28	7.81	22	8.76	20	11.25	15	11.79	14	13.49	12	14.31	12	15.01	13	10.77	15
North Dakota	0.24	40	0.21	40	0.37	41	0.50	43	0.54	43	0.65	42	0.58	43	0.59	42	0.61	43	0.59	44	0.49	44
Ohio	19.66	7	19.50	6	20.29	6	19.66	8	20.80	6	21.28	7	22.37	8	22.79	7	21.62	7	20.78	9	20.88	7
Oklahoma					4.30	27	5.37	29	5.61	29	4.30	30	3.41	31	3.02	34	1.65	40	1.90	40	3.69	33
Oregon	6.46	19	6.67	20	6.71	21	10.92	15	10.00	16	11.85	14	9.00	20	8.76	21	8.76	20	8.51	23	8.76	20
Pennsylvania	30.00	4	30.00	4	30.00	4	30.00	4	32.00	2	32.00	4	39.00	2	37.00	3	37.00	4	37.00	5	33.40	3
Rhode Island	1.80	36	2.00	36	2.10	35	2.40	38	2.70	35	2.20	37	3.07	35	2.31	37	2.29	37	2.29	39	2.32	40
South Carolina	6.63	18	7.71	18	8.75	16	8.64	20	8.57	21	8.29	23	8.64	21	8.90	19	8.70	21	8.70	22	8.35	22
South Dakota	0.81	38	0.81	39	0.80	39	0.80	41	0.80	41	0.45	43	0.57	44	0.51	43	0.47	44	0.61	43	0.66	43
Tennessee	Did not report		13.83	10	14.11	12	12.83	13	11.68	13	10.48	17	9.38	18			8.29	22	9.40	20	11.25	14
Texas	34.00	3	33.00	3	32.00	3	31.00	3	30.88	3	30.00	5	32.40	5	32.00	5	33.62	5	36.26	6	32.52	4
Vermont	1.51	37	1.23	37	1.44	38	1.54	39	1.27	40	1.49	39	1.58	41	1.44	40	1.52	41	1.63	41	1.46	41
Virginia	13.12	10	13.61	12	18.03	9	20.66	7	19.94	8	20.47	8	18.48	10	18.79	9	20.01	10	20.80	8	18.39	10
Washington	6.09	22	6.26	22	6.10	24	9.77	18	12.00	12	12.00	13	11.70	15	12.00	13	10.76	15	10.25	18	9.69	17
West Virginia	8.00	15	6.20	23	7.00	20	8.00	21	7.20	25	7.00	26	6.08	27	8.06	22	4.95	30	4.13	32	6.66	26
Wisconsin	4.60	26	4.60	27	4.60	26	4.60	30	7.37	22	7.38	24	7.47	23	7.44	25	7.50	23	7.50	25	6.31	28
National Average	10.97		11.11		11.39		12.09		11.93		12.58		12.23		12.95		13.36		14.01		12.26	

**Data compiled from La Fleur's World Lottery Almanac

	FY 2004		FY 2005		FY 2006		FY 2007		FY 2008		FY 2009		FY 2010		FY 2011		FY 2012		FY 2013		10 Year Average	
	Advertising Budget Per Capita	Rank	Advertising Budget Per Capita	Rank	Advertising Budget Per Capita	Rank	Advertising Budget Per Capita	Rank	Advertising Budget Per Capita	Rank	Advertising Budget Per Capita	Rank	Advertising Budget Per Capita	Rank	Advertising Budget Per Capita	Rank	Advertising Budget Per Capita	Rank	Advertising Budget Per Capita	Rank	Advertising Budget Per Capita	Rank
Arizona	1.54	23	1.81	18	1.65	23	1.69	22	1.52	27	2.27	13	2.10	19	2.16	16	2.14	17	2.37	13	1.92	19
Arkansas													1.72	27	1.70	28	1.53	30	1.53	31	1.62	28
California	1.04	32	0.94	36	1.00	34	1.13	36	0.77	41	1.14	36	0.90	39	1.21	35	1.26	36	1.47	33	1.09	37
Colorado	1.41	27	1.56	27	1.51	26	1.53	29	1.43	29	1.85	22	2.34	14	2.26	12	1.95	21	2.07	20	1.79	25
Connecticut	1.64	21	1.56	26	1.85	18	1.77	20	2.79	6	3.07	6	2.70	7	2.96	5	2.93	5	2.96	5	2.42	7
Delaware	3.01	4	2.97	4	2.93	4	3.12	5	3.06	5	2.70	7	3.00	5	3.20	4	3.16	4	3.16	4	3.03	4
District of Columbia	10.47	1	9.31	1	9.46	1	9.77	1	7.72	1	8.15	1	8.62	1	9.71	1	9.81	1	9.81	1	9.28	1
Florida	1.71	18	1.49	28	1.36	28	1.63	25	1.63	24	1.85	21	1.80	24	1.74	27	1.73	26	1.95	23	1.69	26
Georgia	2.25	9	2.15	10	2.07	12	2.06	16	2.09	15	1.63	27	2.55	8	2.15	17	2.07	19	1.89	24	2.09	18
Idaho	1.65	20	1.62	24	1.40	27	1.64	23	1.52	28	1.93	19	2.10	18	1.93	22	2.11	18	2.24	14	1.82	22
Illinois	1.42	26					1.63	24	1.27	32	1.94	18	1.74	25	2.09	18	3.39	3	3.33	3	2.10	17
Indiana	1.21	29	1.32	31	1.30	30	1.42	33	1.12	35	1.44	30	1.70	28	1.76	25	1.60	28	1.56	29	1.44	31
Iowa	2.07	10	1.99	11			2.10	14	2.43	13	2.33	12	2.49	10	2.17	15	2.15	16	2.15	18	2.21	14
Kansas	0.99	34	0.95	35	0.94	36	1.04	37	1.05	37	0.95	41	1.02	37	0.96	38	0.86	40	1.14	38	0.99	39
Kentucky	2.54	5	2.39	7	2.48	6	2.63	8	2.72	7	2.11	15	2.09	20	2.04	19	2.04	20	1.99	22	2.30	13
Louisiana	1.74	16	1.76	21	1.86	17	1.63	26	1.64	23	1.61	28	1.55	29	1.64	29	1.62	27	1.63	28	1.67	27
Maine	1.98	12	2.20	9	2.20	11	2.21	12	2.21	14	2.21	14	2.44	11	2.49	8	2.49	10	2.64	9	2.31	12
Maryland	2.34	8	2.44	5	2.80	5	3.15	4	3.30	4	3.20	4	2.20	17	1.99	20	1.88	22	2.12	19	2.54	6
Massachusetts	0.51	39	1.56	25	1.55	24	1.55	28	1.54	25	1.52	29	0.30	44	0.30	43	0.30	44	0.75	42	0.99	40
Michigan	1.84	13	1.84	15	1.84	19	1.85	18	1.86	20	1.87	20	1.88	23	1.79	24	1.79	25	1.88	25	1.84	21
Minnesota	1.16	30	1.23	32	1.30	31	1.38	34	1.26	33	1.23	32	1.36	31	1.22	34	1.38	32	1.40	35	1.29	33
Missouri	0.53	38	0.37	39	0.35	41	0.26	43	0.22	43	0.20	43	0.32	43	1.33	31	1.21	37	1.99	21	0.68	44
Montana	0.86	36	0.89	37	0.76	38	0.76	42	0.75	42	1.10	37	1.07	36	0.89	39	0.76	41	0.77	41	0.86	41
Nebraska	1.47	25	1.81	19	1.92	15	1.83	19	1.92	17	2.05	17	2.36	13	2.50	7	2.83	7	2.80	7	2.15	16
New Hampshire	2.00	11	1.91	13	1.90	16	2.13	13	2.57	9	2.53	10	2.42	12	2.43	9	2.66	9	2.64	8	2.32	10
New Jersey	1.01	33	1.72	22	1.84	20	1.56	27	1.12	34	1.03	39	0.82	41	1.18	36	2.30	13	2.47	12	1.51	29
New Mexico	1.32	28	1.34	30	1.53	25	1.52	30	1.11	36	1.09	38	1.12	35	1.10	37	1.09	38	1.10	39	1.23	34
New York	3.69	3	3.78	2	4.22	2	4.20	3	4.52	2	4.36	2	4.33	2	4.73	2	4.68	2	4.71	2	4.32	2
North Carolina					0.42	40	0.86	39	0.95	39	1.20	34	1.25	34	1.40	30	1.47	31	1.54	30	1.14	35
North Dakota	0.38	40	0.33	40	0.58	39	0.79	41	0.84	40	1.00	40	0.88	40	0.86	40	0.87	39	0.85	40	0.74	43
Ohio	1.72	17	1.70	23	1.77	22	1.71	21	1.81	22	1.84	23	1.94	21	1.97	21	1.87	23	1.80	27	1.81	23
Oklahoma					1.20	32	1.48	32	1.54	26	1.17	35	0.91	38	0.80	41	0.43	43	0.50	44	1.00	38
Oregon	1.80	14	1.83	16	1.81	21	2.91	6	2.64	8	3.10	5	2.33	15	2.26	13	2.25	14	2.18	16	2.31	11
Pennsylvania	2.42	7	2.41	6	2.41	7	2.41	10	2.57	10	2.54	9	3.09	4	2.90	6	2.90	6	2.90	6	2.66	5
Rhode Island	1.67	19	1.86	14	1.97	14	2.27	11	2.57	11	2.09	16	2.90	6	2.20	14	2.18	15	2.18	17	2.19	15
South Carolina	1.58	22	1.81	17	2.02	13	1.96	17	1.91	18	1.82	24	1.88	22	1.90	23	1.84	24	1.84	26	1.86	20
South Dakota	1.05	31	1.04	33	1.02	33	1.00	38	1.00	38	0.56	42	0.69	42	0.62	42	0.57	42	0.73	43	0.83	42
Tennessee			2.32	8	2.34	9	2.08	15	1.88	19	1.67	26	1.48	30			1.28	35	1.46	34	1.81	24
Texas	1.51	24	1.44	29	1.36	29	1.30	35	1.27	31	1.21	33	1.29	33	1.25	33	1.29	34	1.39	36	1.33	32
Vermont	2.43	6	1.97	12	2.31	10	2.47	9	2.05	16	2.39	11	2.55	9	2.29	11	2.42	12	2.61	10	2.35	8
Virginia	1.76	15	1.80	20	2.36	8	2.68	7	2.57	12	2.60	8	2.32	16	2.32	10	2.44	11	2.54	11	2.34	9
Washington	0.98	35	1.00	34	0.95	35	1.51	31	1.83	21	1.80	25	1.73	26	1.76	26	1.56	29	1.49	32	1.46	30
West Virginia	4.41	2	3.41	3	3.85	3	4.41	2	3.97	3	3.85	3	3.33	3	4.35	3	2.67	8	2.23	15	3.65	3
Wisconsin	0.83	37	0.83	38	0.83	37	0.82	40	1.31	30	1.30	31	1.32	32	1.30	32	1.31	33	1.31	37	1.12	36
National Average	1.90		1.92		1.93		2.04		2.00		2.03		2.02		2.09		2.07		2.14		2.01	

**Data compiled from La Fleur's World Lottery Almanac

U.S. Lottery Industry Advertising to Sales Comparison

Lottery	Fiscal Year 2013			
	Ad Budget	Ad Budget Per Capita	Total Sales	Ad Budget % of Sales
Arizona	15.50	2.37	692.94	2.24%
Arkansas	4.50	1.53	439.55	1.02%
California	56.04	1.47	4,445.87	1.26%
Colorado	10.75	2.07	566.29	1.90%
Connecticut	10.62	2.96	1,122.69	0.95%
Delaware	2.90	3.16	242.46	1.20%
D.C.	6.20	9.81	144.11	4.30%
Florida	37.72	1.95	5,013.00	0.75%
Georgia	18.80	1.89	3,912.16	0.48%
Idaho	3.58	2.24	197.63	1.81%
Illinois	42.90	3.33	2,841.34	1.51%
Indiana	10.21	1.56	934.03	1.09%
Iowa	6.60	2.15	339.25	1.95%
Kansas	3.30	1.14	255.75	1.29%
Kentucky	8.71	1.99	846.67	1.03%
Louisiana	7.50	1.63	447.42	1.68%
Maine	3.51	2.64	227.72	1.54%
Maryland	12.47	2.12	1,756.12	0.71%
Massachusetts	5.00	0.75	4,839.27	0.10%
Michigan	18.62	1.88	2,476.40	0.75%
Minnesota	7.53	1.40	560.40	1.34%
Missouri	12.00	1.99	1,141.22	1.05%
Montana	0.77	0.77	56.98	1.35%
Nebraska	5.20	2.80	160.75	3.23%
New Hampshire	3.49	2.64	279.33	1.25%
New Jersey	21.90	2.47	2,821.43	0.78%
New Mexico	2.30	1.10	141.76	1.62%
New York	92.25	4.71	7,108.91	1.30%
North Carolina	15.01	1.54	1,689.80	0.89%
North Dakota	0.59	0.85	27.85	2.12%
Ohio	20.78	1.80	2,697.86	0.77%
Oklahoma	1.90	0.50	200.21	0.95%
Oregon	8.51	2.18	330.46	2.58%
Pennsylvania	37.00	2.90	3,699.37	1.00%
Rhode Island	2.29	2.18	253.43	0.90%
South Carolina	8.70	1.84	1,199.21	0.73%
South Dakota	0.61	0.73	57.23	1.06%
Tennessee	9.40	1.46	1,367.60	0.69%
Texas	36.26	1.39	4,376.29	0.83%
Vermont	1.63	2.61	102.10	1.60%
Virginia	20.80	2.54	1,689.24	1.23%
Washington	10.25	1.49	569.59	1.80%
West Virginia	4.13	2.23	195.62	2.11%
Wisconsin	7.50	1.31	565.85	1.33%
National Average	14.01	2.14	1,432.57	1.37%

Pop, Advertising Budget and Total Sales all are in millions.

Source: *La Fleur's 2014 World Lottery Almanac* © 2014 TLF Publications, Inc.

U.S. Lottery Industry - Draw Game Vendor Contract Summary
Fiscal Years 2004 through 2013

Attachment 13

Lottery	FY2013					
	Systems Vendor	Est. Contract Value (\$M)	Systems Vendor Fee	Contract Start	Contract End	Renewal Options
Arizona	GTECH		3.7% of system sales	Aug-06	Aug-16	Exercised
Arkansas	INTRALOT	\$11M/yr.	2.45% of sales	Aug-09	Aug-16	3 (1 yr.)
California	GTECH	\$545M-\$1.07B	1.36% sales (\$4B); 1.2% (over \$4B)	Oct-03	Oct-19	
Colorado	Scientific Games	\$100M	1.65% of total sales	Nov-04	Oct-14	None
	GTECH	\$74.9M	1.5249% of non-TVM sales + 1.2276% (TVM sales)	Nov-14	Jun-21	2 (2 yrs.)
Connecticut	Scientific Games		0.844% of sales	May-08	May-18	Exercised
D.C.	INTRALOT	\$38M	2.5999% of system sales	Nov-10	Sep-19	5 yrs.
Delaware	Scientific Games	\$100M	5.371% (online) + 1% (VLT net)	Feb-03	Feb-15	None
Florida	GTECH	\$28M/yr./(sys) \$5M (ITVMs)	1.0699% (system sales)	Jan-05	Mar-15	Exercised
Georgia	GTECH	\$600M-\$625M	0.99%-1.15% (net sales)	Sep-03	Sep-18	
Idaho	INTRALOT	\$4.6M (FY13)	1.98% of sales	Feb-07	Oct-17	3 yrs.
Illinois ¹	GTECH	\$57M (FY13)	1.78% of total sales	Jul-11	Jan-21	None
Indiana ¹	Scientific Games	\$8.5M/yr.	1.83% of total sales	Apr-13	Mar-16	None
	GTECH		1.83% of total sales	Apr-13	Jun-28	10 yrs.
Iowa	Scientific Games	\$6.2M/yr.	2.304% of system sales	Jul-11	Jul-18	3 (1 yr.)
Kansas	GTECH	\$86M	4.99% of system sales	Jul-08	Jun-18	None
Kentucky	GTECH	\$37.9M	1.5% (system) & 0.438% (instant) sales	Jun-11	Jun-18	8 (1 yr.)
Louisiana	INTRALOT	\$69M	2.9798% of system sales	Jul-10	Jun-20	2 (1 yr.)
Maine	Scientific Games	\$2.2M/yr.	3.5% of online sales	Apr-14	Jun-20	Open
Maryland	Scientific Games	\$194M	0.95% of system sales	Oct-05	Jun-16	Exercised
Massachusetts	GTECH	\$66.8M	Purchase			
Michigan	GTECH	\$426M	1.18%-1.2757% of total sales	Jan-09	Jan-17	4 (1 yr.)
Minnesota	GTECH	\$9.4M/yr.	1.8% (instant & system sales)	Jun-02	Feb-16	Exercised
Missouri	GTECH	\$120M	4.4051% of system sales	Jul-05	Jun-15	8 (1 yr.)
Montana	INTRALOT	\$3.3M/yr.	5.8% of instant & system sales	Mar-06	Mar-16	Exercised
Nebraska	GTECH	\$8.3M/yr.	4.5% (system) + 8.0651% (instant)	Jul-11	Jun-17	4 (1 yr.)
N. Hampshire	INTRALOT	\$50M	1.435% of system sales	Jul-10	Jun-20	Exercised
New Jersey ¹	Northstar NJ	\$25M (FY14)	1.05% (net total sales)	Oct-13	Jun-28	3 yrs.
New Mexico	INTRALOT	\$2.3M (FY13)	1.5% of system sales	Nov-08	Nov-18	Exercised
New York	GTECH	\$674.70	0.8195% of total net sales	Sep-09	Aug-17	3 yrs.
North Carolina	GTECH	\$27.3M (FY13)	1.599% of total sales	Jan-06	Jan-17	None
North Dakota	Scientific Games	\$2.4M (FY13)	8.8761%-10.63% (system sales)	Feb-04	Mar-14	Exercised
	Scientific Games	\$33M	10.473% of sales + CIP	Jul-14	Jul-22	2 yrs.
Ohio	INTRALOT	\$47.3M (2 yrs.)	0.9999% (system); 0.320% (instant)	Jul-09	Jun-15	3 (2 yrs.)
Oklahoma	Scientific Games	\$7.7M/yr.	3.99% of total sales	Aug-13	Aug-14	9 (1 yr.)
Oregon	GTECH	\$6.9M (FY13)	1.6999% of system & instant sales	Nov-08	Sep-20	1-10 yrs.
Pennsylvania	Scientific Games	\$37.9M (FY13)	0.835% of system & instant sales	Jan-09	Dec-14	4 (1 yr.)
Rhode Island	GTECH		5% of system & instant sales	Jul-03	Jun-23	None
S. Carolina	INTRALOT	\$67.8M	Fixed fee	Nov-08	Nov-18	None
South Dakota	GTECH	\$2.1M (FY13)	7.38% of system sales	Aug-09	Aug-19	Exercised
Tennessee	GTECH	\$50M	1.24% of net total sales	Apr-11	Apr-15	
Texas	GTECH	\$728.9M	2.2099% of total sales	Dec-10	Aug-20	3 (2 yrs.)
Vermont	INTRALOT	\$25M	2.9763% of total net sales	Jun-10	Jun-16	2 (2 yrs.)
Virginia	GTECH	\$150M	0.7699% of total net sales	Oct-07	Oct-17	Exercised
Washington	GTECH	\$103M	2.075%-2.435% of system sales	Jul-06	Jun-16	Exercised
West Virginia	GTECH	\$53M	4.277% of system sales	Jul-08	Jun-14	2 (1 yr.)
Wisconsin	GTECH	\$100M	2.54% (combined total net sales)	Jun-04	Jun-15	Exercised

¹ Subcontract through PMA with Northstar Lottery Group (Illinois), GTECH Indiana, LLC and Northstar New Jersey

Source: LaFleur's World Lottery Almanacs 2005-2014

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U.S. Lottery Industry - Instant Game Vendor Contract Summary
Fiscal Years 2004 through 2013

Attachment 14

Lottery	Instant Printer	FY2013				
		Est. Current Contract Value (\$M)	Fee (% of instant sales)	Contract Start	Contract End	Remaining Renewal Options
Arizona	GTECH		0.345%	Jan-10	Jan-15	5 (1 yr.)
	Scientific Games			Jan-10	Jan-15	5 (1 yr.)
	GTECH Printing			Jan-10	Jan-15	5 (1 yr.)
	Pollard Banknote			Jan-10	Jan-15	5 (1 yr.)
Arkansas	Scientific Games (CSP)	\$6.5M/yr.	1.81%	Aug-09	Aug-16	3 (1 yr.)
California	Scientific Games	\$91M		Dec-13	Nov-19 yrs.),	3 (1 yr.)
	Pollard Banknote	\$55M		Dec-13	Jan-19 yrs.),	3 (1 yr.)
	GTECH Printing	\$25M		Dec-13	Jan-19	None
Colorado	Scientific Games	\$8M		Mar-14	Jun-14	3 (1 yr.)
	GTECH Printing	\$0.75		Apr-14	Jun-14	3 (1 yr.)
	Pollard Banknote	\$0.80		Mar-11	Jun-14	3 (1 yr.)
Connecticut	Scientific Games			Aug-12	Aug-17	2 (1 yr.)
	GTECH Printing			Aug-12	Aug-17	2 (1 yr.)
	Pollard Banknote			Aug-12	Aug-17	2 (1 yr.)
D.C.	Scientific Games (CSP)	\$0.90M	3.3500%	Mar-13	Jul-13	None
Delaware	Scientific Games (CSP)	\$6.18M	5.1500%	Jan-12	Jan-15	3 yrs.
Florida	Scientific Games (CSP)	\$35M/yr.		Sep-08	Sep-14	Exercised
	GTECH Printing	\$0.5M/yr.		Oct-08	Sep-14	2 (2 yrs.)
	Pollard Banknote	\$0.5M/yr.		Feb-09	Sep-14	2 (2 yrs.)
Georgia	Scientific Games (CSP)	\$22M (FY13) & (net instant)		Sep-03	Sep-18	Exercised
	Pollard Banknote			Jan-06	Jun-14	None
Idaho	GTECH Printing	\$1.65M	0.02	Mar-13	Mar-15	3 (2 yrs.)
	Pollard Banknote	\$0.46M		May-13	May-13	3 (2 yrs.)
Illinois ¹	Scientific Games (CSP) ¹	\$26.7M (FY13)		Jul-11	Jan-21	None
Indiana ¹	GTECH Printing ²		1.8520%	Apr-13	Mar-18	Six (30-day)
	Pollard Banknote ²		1.8520%	Apr-13	Mar-18	None
	Scientific Games ²		1.8520%	Apr-13	Oct-18	Six months
Iowa	Scientific Games			Jan-13	Dec-14	4 (1 yr.)
	GTECH Printing			Jan-13	Dec-14	4 (1 yr.)
	Pollard Banknote			Jan-13	Dec-14	4 (1 yr.)
Kansas	Pollard Banknote	\$25M		Sep-08	Sep-14	2 (1 yr.)
	GTECH Printing	\$3.5M		Aug-08	Aug-14	2 (1 yr.)
Kentucky	Scientific Games	\$1M		Sep-08	Sep-14	2 (1 yr.)
	Scientific Games	\$37.9M		Jun-11	Jun-18	8 (1 yr.)
	GTECH Printing	\$0.2M		Jun-11	Jun-18	8 (1 yr.)
Louisiana	Scientific Games	\$18M	1.215%	Dec-10	Oct-20	None
Maine	Scientific Games (CSP)	\$5.86M/yr.	3.500%	Apr-14	Jun-20	Open
Maryland	Pollard Banknote	\$20.7M		Sep-13	Sep-17	1 (3 yrs.)
	Scientific Games	2.90		Sep-13	Aug-20	Exercised
	GTECH Printing	\$2.9M		Sep-13	Aug-20	Exercised
Massachusetts	Scientific Games	\$14.6M (FY13)		Oct-12	Oct-15	2 (1 yr.)
	Pollard Banknote	\$3.5M (FY13)		Oct-12	Oct-15	2 (1 yr.)
	GTECH Printing			Oct-12	Oct-15	2 (1 yr.)
Michigan	Pollard Banknote	\$189M		Jan-09	Dec-16	None
Minnesota	Scientific Games			May-10	May-14 1 yr./1	(2 yr.)
	Pollard Banknote			May-10	May-14 1 yr./1	(2 yr.)
	GTECH Printing			Dec-11	May-14	2 (1 yr.)
Missouri	Scientific Games	\$5.5M/yr.		Jul-11	Jun-15	6 (1 yr.)
	Pollard Banknote	\$1.4M/yr.		Apr-11	Jun-15	6 (1 yr.)
	GTECH Printing	\$0.1M		Dec-11	Jun-15	6 (1 yr.)
Montana	Scientific Games	\$0.9M/yr.		Aug-08	Aug-15	Exercised
Nebraska	GTECH (CSP)		8.065%	Jul-11	Jun-17	4 (1 yr.)
	GTECH Printing	\$1.50		Jul-11	Jun-17	4 (1 yr.)
N. Hampshire	Scientific Games	\$1.6M/yr.		Jul-12	Jun-15	2 (1 yrs.)
New Jersey ¹	Northstar New Jersey ³		1.216%	Oct-13	Jun-29	None
New Mexico	GTECH Printing		1.48% (net)	Mar-10	Mar-18	4 (1 yr.)
	Scientific Games	\$1M		Mar-10	Mar-14	4 (1 yr.)
New York	Scientific Games	\$98.2M		Aug-11	Aug-18	None
	Pollard Banknote	\$63.7M		Aug-11	Aug-18	None
	GTECH Printing	\$20.5M		Aug-11	Aug-18	None
North Carolina	GTECH 4			Jan-06	Jan-17	None
Ohio	INTRALOT (CSP)	\$13M	0.400%	Jul-09	Jun-15	1 (2 yrs.)
	Scientific Games	\$24M		Jul-07	Jun-15	Exercised
	Pollard Banknote	\$7M		Jul-07	Jun-15	Exercised
Oklahoma	Scientific Games (CSP)			Aug-13	Aug-14	9 (1 yr.)
Oregon	Pollard Banknote	\$1.3M (FY13)		Jun-10	Jun-17	Exercised
	Scientific Games	\$0.5M (FY13)		Jul-10	Jun-17	Exercised
	GTECH Printing	\$0.35M (FY13)		Mar-10	Jun-17	Exercised
Pennsylvania	Scientific Games (CSP)	\$24.4M (FY13)	0.910%	Aug-07	Aug-15	2 (1 yr.)
Rhode Island	Scientific Games	\$3.6M		Jul-13	Jun-16	5 (1 yr.)
S. Carolina	SciGames (CSP)	\$6.6M/yr.		Oct-13	Sep-18	1 (2 yrs.)
South Dakota	Scientific Games	\$0.6M (FY13)		Aug-10	Aug-16	Exercised
Tennessee	Scientific Games (CSP)	\$9M/yr.		Jan-04	Apr-15	None
Texas	Scientific Games	\$10.3M/yr.		Sep-12	Aug-18	2 (3 yrs.)
	Pollard Banknote	\$4.6M/yr.		Sep-12	Aug-18	2 (3 yrs.)
	GTECH Printing	\$4.6M/yr.		Sep-12	Aug-18	2 (3 yrs.)
Vermont	Pollard Banknote	\$6.3M		Jan-14	Jan-17	2 (1 yr.)
Virginia	Scientific Games (CSP)	\$30M	1.201%	Jun-11	Jun-14	Exercised
Washington	Scientific Games (CSP)	\$24M-\$25M		Mar-06	Mar-14	None
	GTECH Printing	\$0.75-\$1M		May-08	Mar-14	None
West Virginia	GTECH Printing	\$5.3M		Feb-12	Feb-15	2 (1 yr.)
Wisconsin	Scientific Games			Nov-09	Oct-14	Exercised
	GTECH Printing			Nov-09	Oct-14	Exercised
	Pollard Banknote			Nov-09	Oct-14	Exercised

MO Lottery Total Return on Investment in FY13

	<i>Costs</i>	<i>Benefits</i>	<i>ROI to 1</i>
Convention			
<i>Working Women's Survival Show</i>	\$57,917.96	\$97,084.48	1.7
Sporting			
<i>Hannibal Cavemen</i>	\$2,794.71	\$5,957.61	2.1
<i>St. Joseph Mustangs</i>	\$6,913.08	\$20,648.51	3.0
<i>Missouri Mavericks</i>	\$27,725.01	\$61,837.00	2.2
<i>Springfield Cardinals</i>	\$24,353.12	\$87,507.19	3.6
<i>Opening Day STL Cardinals</i>	\$10,022.56	\$11,846.72	1.2
<i>River City Rascals</i>	\$7,000.00	\$27,894.64	4.0
<i>Missouri Valley Conference</i>	\$53,368.72	\$22,166.20	0.4
<i>MMA</i>	\$8,000.00	\$14,551.14	1.8
<i>Rock and Roll Marathon</i>	\$25,024.94	\$22,227.30	0.9
<i>GO STL</i>	\$21,415.52	\$63,260.93	3.0
<i>Monster Jam</i>	\$21,015.67	\$101,290.02	4.8
<i>Show Me State Games</i>	\$135,000.00	\$570,112.40	4.2
Festivals & Concerts			
<i>Taste of St. Louis</i>	\$34,235.00	\$153,687.12	4.5
<i>Rock 'n Ribs</i>	\$16,763.11	\$94,816.94	5.7
<i>Roots N' Blues N' BBQ</i>	\$23,185.04	\$99,240.73	4.3
<i>Verizon Wireless</i>	\$127,528.70	\$136,556.82	1.1
<i>Summerfest</i>	\$20,822.87	\$72,262.07	3.5
<i>Starlight Theatre</i>	\$14,973.56	\$298,261.83	19.9
<i>KC Power and Light*</i>	\$36,360.73	\$79,473.26	2.2
<i>Blues Week</i>	\$13,598.94	\$132,470.82	9.7
Fair			
<i>State Fair</i>	\$79,483.79	\$285,032.93	3.6
Community			
<i>American Royal</i>	\$26,375.22	\$42,673.37	1.6
<i>HOG Rally/Harley tour</i>	\$14,156.08	\$20,609.92	1.5
<i>Pride Fest STL</i>	\$15,867.10	\$46,972.06	3.0
<i>Bull Float Trip</i>	\$4,424.00	\$16,332.00	3.7
<i>Ronald McDonald House Charities</i>	\$6,221.00	\$21,991.96	3.5
<i>St. Louis Symphony</i>	\$21,778.23	\$42,600.02	2.0
<i>Black History Month STL</i>	\$3,500.00	\$3,612.96	1.0
<i>Missouri School Board Association</i>	\$4,877.89	\$2,490.89	0.5
<i>Missouri Black Expo</i>	\$60,856.47	\$170,574.73	2.8
<i>Gateway Classic</i>	\$75,000.00	\$317,832.40	4.2
<i>MU Midnight BBQ</i>	\$8,977.12	\$6,021.50	0.7
<i>Community Women Against Hardship</i>	\$5,000.00	\$7,202.31	1.4
<i>STL Business Women's Conference</i>	\$15,344.89	\$16,817.72	1.1
<i>Great Forest Park Balloon Race</i>	\$32,738.72	\$138,666.26	4.2
Value Added			
<i>Holiday Promotion</i>	\$8,068.09	\$178,250.00	22.1
<i>KMXV</i>	\$279.27	\$5,250.00	18.8
<i>KHMO</i>	\$4,253.78	\$29,203.00	6.9
<i>KSYN</i>	\$7,223.40	\$35,750.00	4.9
<i>*sponsorship money was refunded</i>			
TOTALS	\$1,233,158.03	\$3,796,835.31	3.08

Source: MO Lottery



Thomas A. Schweich
Missouri State Auditor

REVENUE

Missouri State Lottery Commission



November 2012
Report No. 2012-141

<http://auditor.mo.gov>



Missouri State Lottery Commission
Management Advisory Report - State Auditor's Findings

2. Sponsorships

The Lottery incurred expenses greater than the amount of benefits for a majority of local community events it sponsored. During the 2 years ended June 30, 2011, the Lottery sponsored 45 special events and 16 local community events. As a sponsor, the Lottery receives exposure and advertising opportunities. According to Lottery personnel, these events are an opportunity to promote the Lottery, educate the public about the Lottery, and build relationships with players.

Special events included activities such as motorsports, sporting events, festivals, music concerts, and the State Fair, while local community events were smaller venues with less exposure. For the 2 years ended June 30, 2011, total sponsorship costs for special and local community events were approximately \$818,000 and \$421,000, respectively.

The Lottery evaluates the events annually to determine whether it receives a positive (benefits exceed costs) Return on Investment (ROI) for the event (a ROI greater than 1). Although the overall average of the ROI on the special events was 3.4 and 4.2 in fiscal year 2011 and 2010, respectively, the overall average ROI (.9) for the local community events was negative.

During the 2 years ended June 30, 2011, the following local community events were held (in order from highest to lowest costs):

Local Community Event	Cost	Benefit	ROI	Location
Black Expo 2011	\$ 82,813	53,932	0.7	St. Louis
Black Expo 2010	77,858	61,469	0.8	St. Louis
Gateway Classic 2010	75,675	53,358	0.7	St. Louis
Gateway Classic 2011	75,000	53,366	0.7	St. Louis
100 Black Men	25,000	14,600	0.6	St. Louis
Holiday Magic	22,997	28,365	1.2	St. Louis
Salute to Excellence in Education	15,000	12,103	0.8	St. Louis
St. Louis Business Women	12,760	10,511	0.8	St. Louis
Go! St. Louis	8,500	55,968	6.6	St. Louis
KC Riverfest	7,079	10,442	1.5	Kansas City
Community Women Against Hardship	5,000	4,096	0.8	St. Louis
Epsilon Lambda Benefit	5,000	8,138	1.6	St. Louis
Bill Picket Rodeo	3,018	3,379	1.1	Kansas City
Jim Butler Golf Benefit	2,237	1,670	0.7	St. Louis
Party on the Plaza	1,500	2,076	1.4	St. Louis
Missouri School Board Association	1,214	493	0.4	Osage Beach
Total	\$ 420,651	373,966	0.9	



Missouri State Lottery Commission
Management Advisory Report - State Auditor's Findings

The majority of local community events (10 of 16) did not yield a positive ROI. In addition, the Lottery sponsored several events in fiscal year 2011 even though the ROI for the event was negative in fiscal year 2010, and none of the five local community events with the highest costs had a positive ROI.

To ensure lottery proceeds are spent in an efficient and effective matter, the Lottery should discontinue sponsoring local community events that do not provide a positive benefit.

Recommendation

The Lottery discontinue sponsoring local community events which do not produce a positive ROI.

Auditee's Response

The Lottery Commission agrees with the recommendation and will continue to use the PINPOINT Sponsorship Evaluation System (implemented in July 2011) to systematically organize, measure and evaluate applications submitted to the Lottery for community and other sponsorships. The PINPOINT operating system uses algorithms that weigh a series of criteria based on Missouri Lottery's strategic marketing and public relations focus. Criteria include type of event, audience, media and signage values, geographic location, time of year, size of the event, as well as other intangible factors such as age of event, number of sponsors and industry exclusivity. Proposals are reviewed, rated and accepted or rejected based on the criteria. The system is also used to evaluate the results of completed sponsorships, including calculating benefits and costs associated with the Sponsorship. PINPOINT assists us in selecting sponsorships that best promote Lottery products; emphasize our mission of providing educational opportunities for Missouri students, supporting Missouri businesses and entertaining millions; and also provide a positive return. In addition, the Lottery takes Executive Order 05-30 minority- and women-owned business enterprise (MWBE) 10 percent and 5 percent targets very seriously and utilizes participation in minority and women community events, in addition to direct and subcontracted expenditures to MWBEs, to achieve these goals. The return on community events is typically lower than the return on other sponsorships because community events focus on community outreach and building relationships rather than ticket sales. The Lottery will work to raise the return on investment of these events.

3. Advertising Expenditures

The advertising amounts reported to the General Assembly by the Lottery do not include some related expenditures. These additional advertising related expenditures totaled approximately \$3 million and \$1.9 million, for fiscal years 2011 and 2010, respectively. In addition, the advertising amount approved by the General Assembly is not adequately documented.

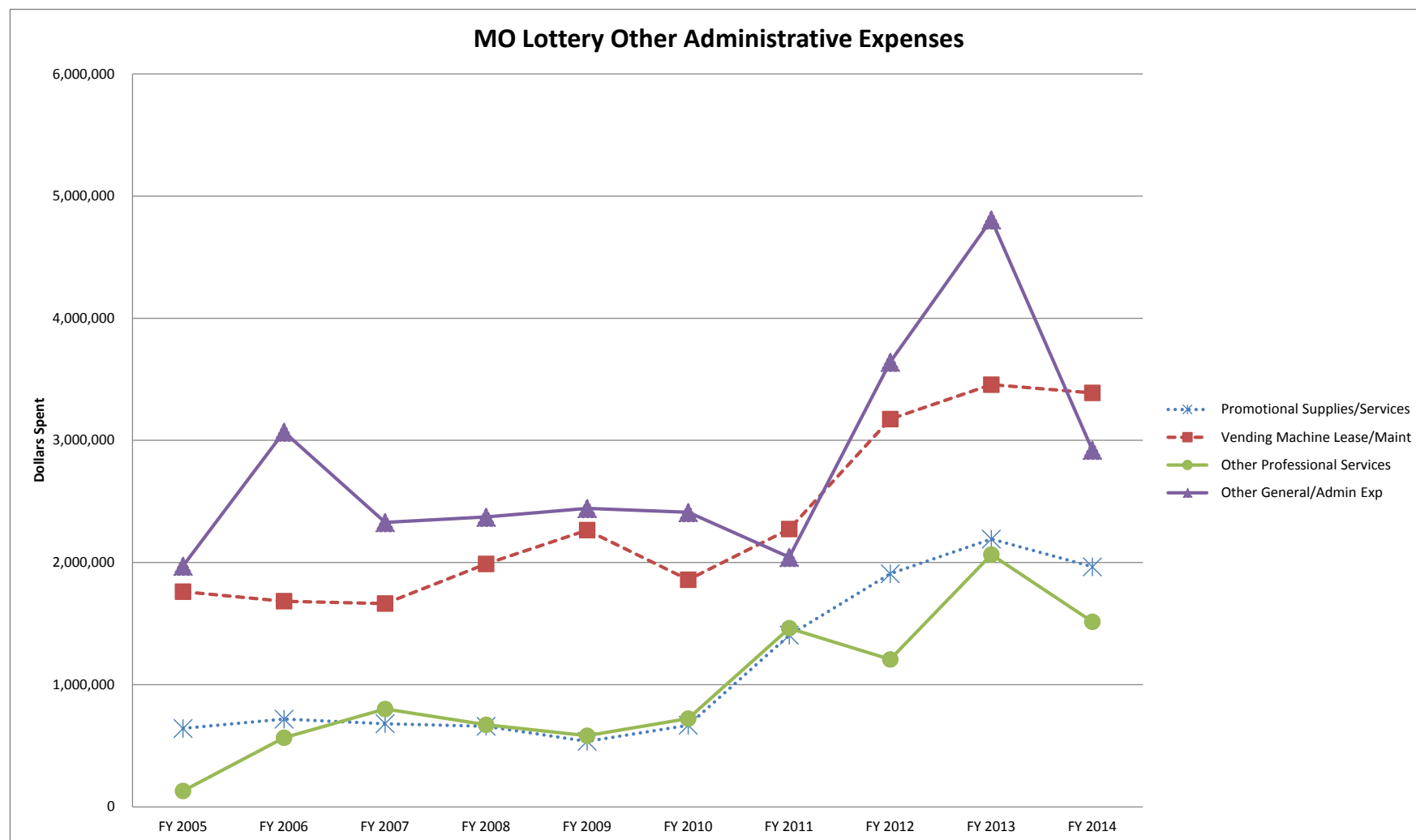
Lottery expenditures are paid from Lottery revenues and are subject to the legislative appropriation process. Lottery management also stated that,

FY 13 Wage and Benefit Information for State Lotteries

State	Wages and Benefits	FTE (including field staff)	Avg Salary and benefits per FTE
Arkansas	\$ 6,049,048	80.00	75,613
California	\$ 56,781,125	759.00	74,810
Colorado	\$ 9,166,190	120.00	76,385
Connecticut	\$ 15,749,208	135.00	116,661
Delaware	\$ 6,292,138	32.00	196,629
Georgia	\$ 24,694,000	293.00	84,280
Idaho	\$ 2,697,585	45.00	59,946
Indiana	\$ 14,783,307	196.00	75,425
Iowa	\$ 9,375,334	108.00	86,809
Kentucky	\$ 12,857,000	165.00	77,921
Louisiana	\$ 6,559,398	105.00	62,470
Maryland	\$ 16,929,270	280.00	60,462
Massachusetts	\$ 36,334,000	404.00	89,936
Michigan	\$ 21,142,399	183.00	115,532
Minnesota	\$ 11,212,065	143.00	78,406
Missouri	\$ 9,380,734	153.00	61,312
New Hampshire	\$ 3,303,726	41.00	80,579
New Mexico	\$ 3,614,032	55.00	65,710
New York	\$ 30,244,000	361.00	83,778
North Dakota	\$ 747,353	8.00	93,419
Oklahoma	\$ 2,419,342	27.00	89,605
South Carolina	\$ 9,455,978	121.00	78,149
South Dakota	\$ 1,627,461	30.00	54,249
Tennessee	\$ 12,879,000	161.00	79,994
Texas	\$ 22,017,344	282.50	77,938
Washington	\$ 9,585,980	127.00	75,480
West Virginia	\$ 11,049,000	185.00	59,724
AVERAGE	\$ 13,590,593	170.35	\$ 82,638

Source: States reported wages and benefits to OA/B&P's request

FY13 FTE numbers obtained from NASPL Matrix and LaFleur's 2014 World Almanac



Source: MO Lottery

The MO Lottery states the following regarding the price fluctuations evident above:

Promotional supplies and services increased in FY10 to FY14 due to new sports and festival sponsorships including the Kansas City Chiefs and Royals, and the St. Louis Rams, Cardinals, and Blues.

Vending machine lease/maintenance increased in FY11 due to a leasing contract change from a dollar/month for machines to a percentage of weekly sales in addition to 450 new machines.

Other professional services includes media production costs, which average 15% of the media budget. As advertising increased in FY11 through FY14, media production costs followed.

Other general and administrative expenses increased in FY12 over FY11 due to a \$652,000 misclassification of lottery merchandise prizes and a \$479,000 expense to Schafer Systems for play centers and promoters. The FY13 expense was higher than the FY12 expense due to \$990,000 for the first of a 5-year initiative involving the replacement and uniformity of the permanent point-of-sale material at retailers.

	FY 2004		FY 2005		FY 2006		FY 2007		FY 2008		FY 2009		FY 2010		FY 2011		FY 2012		FY 2013		10 Year Average	
	Admin Costs % of Total Revenue	Rank	Admin Costs % of Total Revenue	Rank	Admin Costs % of Total Revenue	Rank	Admin Costs % of Total Revenue	Rank	Admin Costs % of Total Revenue	Rank	Admin Costs % of Total Revenue	Rank	Admin Costs % of Total Revenue	Rank	Admin Costs % of Total Revenue	Rank	Admin Costs % of Total Revenue	Rank	Admin Costs % of Total Revenue	Rank	Admin Costs % of Total Revenue	Rank
Arizona	9.25%	14	13.72%	4	8.09%	16	7.44%	17	7.54%	17	8.82%	15	7.22%	19	6.74%	19	6.44%	20	6.44%	21	8.17%	15
Arkansas													8.65%	13	8.18%	15	7.87%	14	7.87%	16	8.14%	16
California	5.95%	24	4.97%	27	4.68%	32	4.99%	27	5.33%	24	6.35%	23	6.22%	24	5.80%	26	4.97%	28	5.20%	27	5.44%	26
Colorado	7.90%	18	7.75%	17	6.45%	20	6.34%	19	6.49%	21	7.08%	19	7.88%	18	7.72%	17	7.26%	17	7.00%	17	7.19%	19
Connecticut	4.24%	35	4.34%	34	4.71%	31	4.75%	32	5.07%	29	4.85%	30	4.44%	32	4.75%	31	4.55%	30	4.30%	32	4.60%	32
Delaware	11.31%	9	11.67%	9	16.52%	2	10.93%	8	11.08%	8	11.07%	7	12.36%	5	13.53%	3	13.48%	3	12.90%	4	12.48%	4
District of Columbia	12.68%	7	12.35%	7	11.46%	6	12.03%	6	12.69%	4	13.55%	3	13.03%	3	12.47%	5	11.80%	4	12.00%	5	12.40%	5
Florida	4.63%	32	4.09%	36	3.84%	38	3.67%	39	3.67%	39	3.33%	41	3.29%	42	3.36%	41	3.07%	41	2.90%	42	3.58%	42
Georgia	4.47%	34	4.07%	37	4.10%	35	4.04%	36	4.17%	35	4.11%	36	4.13%	35	4.27%	35	4.06%	35	4.00%	38	4.14%	38
Idaho	12.80%	6	11.54%	10	10.04%	8	9.76%	9	8.98%	10	8.87%	12	8.91%	10	8.65%	11	8.37%	11	8.20%	13	9.61%	9
Illinois	5.00%	29	5.37%	26	5.11%	26	5.45%	24	5.22%	27	5.44%	25	5.50%	27	5.32%	27	5.60%	25	5.60%	25	5.36%	27
Indiana	6.76%	22	6.35%	22	5.89%	23	5.63%	23	6.03%	22	6.94%	21	6.63%	22	6.22%	24	6.07%	21	6.80%	19	6.33%	22
Iowa	12.97%	5	13.52%	5	8.54%	12	12.31%	5	12.68%	5	12.62%	5	12.60%	4	10.09%	7	9.27%	7	9.00%	8	11.36%	7
Kansas	9.35%	13	10.04%	11	9.68%	9	9.43%	10	10.27%	9	8.91%	11	9.23%	9	9.56%	8	7.82%	15	8.10%	14	9.24%	10
Kentucky	6.79%	21	6.69%	20	6.60%	19	6.21%	20	5.92%	23	5.51%	24	5.57%	26	5.24%	28	5.43%	27	5.00%	28	5.90%	24
Louisiana	8.94%	16	9.54%	12	8.42%	13	8.27%	15	8.29%	14	8.22%	17	8.29%	16	6.48%	20	5.96%	24	6.10%	22	7.85%	17
Maine	9.18%	15	9.20%	13	9.11%	11	8.88%	11	8.35%	13	9.04%	9	8.88%	11	8.57%	12	8.30%	12	8.30%	12	8.78%	12
Maryland	3.62%	37	3.46%	39	3.53%	40	3.48%	40	3.51%	41	3.49%	40	3.39%	41	6.08%	25	7.27%	16	15.00%	1	5.28%	28
Massachusetts	1.67%	40	1.82%	41	1.84%	43	2.06%	42	2.15%	43	2.24%	43	1.95%	44	2.00%	43	1.92%	44	1.92%	44	1.96%	44
Michigan	4.84%	30	4.84%	31	4.74%	30	4.58%	34	4.67%	30	4.60%	31	4.49%	31	4.38%	33	4.08%	34	4.30%	32	4.55%	34
Minnesota	9.89%	12	8.88%	15	8.19%	14	8.61%	13	8.53%	12	8.29%	16	8.38%	14	8.24%	14	8.56%	10	8.00%	15	8.56%	13
Missouri	5.13%	28	4.90%	29	4.64%	33	4.30%	35	4.13%	36	3.72%	39	3.75%	40	4.52%	32	4.16%	33	4.60%	30	4.38%	37
Montana	21.40%	2	23.33%	1	19.84%	1	15.60%	2	17.02%	1	18.43%	1	16.52%	2	16.92%	2	15.28%	2	15.00%	1	17.93%	1
Nebraska	16.14%	3	12.22%	8	11.11%	7	11.57%	7	12.23%	6	12.21%	6	12.07%	6	12.54%	4	11.34%	5	11.10%	7	12.25%	6
New Hampshire	6.50%	23	6.58%	21	6.39%	22	6.06%	21	6.61%	19	6.99%	20	6.95%	20	6.45%	21	5.97%	23	5.80%	24	6.43%	21
New Jersey	3.27%	38	3.50%	38	3.63%	39			3.02%	42	2.85%	42	2.51%	43	2.09%	42	2.65%	42	2.50%	43	2.89%	43
New Mexico	12.38%	8	12.91%	6	12.77%	5	12.83%	4	11.66%	7	9.94%	8	8.38%	15	8.70%	10	8.82%	8	8.40%	10	10.68%	8
New York	3.96%	36	4.11%	35	4.02%	37	3.96%	37	3.76%	38	3.82%	38	3.79%	39	3.65%	39	3.48%	39	4.00%	38	3.85%	40
North Carolina					8.13%	15	4.79%	31	4.32%	33	4.24%	35	4.15%	34	4.33%	34	4.25%	32	4.25%	35	4.81%	31
North Dakota	21.43%	1	14.40%	3	15.17%	4	15.80%	1	16.59%	2	16.95%	2	17.47%	1	17.11%	1	15.63%	1	14.60%	3	16.51%	2
Ohio	4.69%	31	4.47%	32	5.02%	28	4.95%	29	4.66%	31	5.09%	28	4.32%	33	4.19%	36	3.88%	37	4.10%	37	4.54%	35
Oklahoma					6.42%	21	7.05%	18	7.36%	18	7.11%	18	6.94%	21	6.30%	23	5.47%	26	5.30%	26	6.49%	20
Oregon	7.64%	19	7.12%	19	7.10%	18	8.17%	16	8.10%	15	9.01%	10	7.99%	17	7.86%	16	7.24%	18	6.90%	18	7.71%	18
Pennsylvania	5.29%	26	5.39%	25	4.25%	34	5.19%	26	5.15%	28	4.33%	33	4.03%	37	3.93%	38	3.72%	38	3.80%	40	4.51%	36
Rhode Island	3.02%	39	3.35%	40	3.31%	41	3.89%	38	3.98%	37	3.90%	37	4.08%	36	3.94%	37	3.92%	36	4.30%	32	3.77%	41
South Carolina	4.56%	33	4.36%	33	4.06%	36	4.60%	33	4.23%	34	4.26%	34	3.86%	38	3.58%	40	3.31%	40	3.10%	41	3.99%	39
South Dakota	15.69%	4	17.55%	2	15.41%	3	13.17%	3	12.89%	3	13.23%	4	11.15%	7	10.82%	6	10.31%	6	11.40%	6	13.16%	3
Tennessee			6.32%	23	5.63%	25	5.34%	25	5.23%	26	4.92%	29	4.68%	30			4.44%	31	4.50%	31	5.13%	29
Texas	5.18%	27	4.90%	30	4.97%	29	4.82%	30	4.46%	32	5.21%	27	4.88%	29	4.83%	30	2.11%	43	4.20%	36	4.56%	33
Vermont	10.12%	11	9.08%	14	9.22%	10	8.49%	14	8.67%	11	8.86%	13	9.34%	8	8.31%	13	8.17%	13	8.40%	10	8.87%	11
Virginia	5.37%	25	4.93%	28	5.07%	27	4.96%	28	5.27%	25	5.38%	26	5.14%	28	5.05%	29	4.82%	29	5.00%	28	5.10%	30
Washington	8.29%	17	7.21%	18	7.82%	17	8.62%	12	8.07%	16	8.86%	14	8.71%	12	8.92%	9	8.64%	9	8.90%	9	8.40%	14
West Virginia	10.56%	10	8.43%	16	2.80%	42	2.58%	41	3.51%	40	4.45%	32	5.69%	25	7.39%	18	6.50%	19	6.80%	19	5.87%	25
Wisconsin	7.05%	20	6.27%	24	5.85%	24	5.83%	22	6.55%	20	6.80%	22	6.44%	23	6.40%	22	6.00%	22	6.00%	23	6.32%	23
National Average	8.25%		7.94%		7.31%		7.18%		7.16%		7.30%		7.13%		7.10%		6.64%		6.86%		7.29%	

**Data compiled from La Fleur's World Lottery Almanac

<u>Lottery Game</u>	<u>Explanation</u>	<u>Decision-Making Authority</u>	<u>Other States Involved?</u>
Scratcher Tickets			
Various	In its history, Mo Lottery has created more than 900 different instant-win Scratchers games with prizes ranging from free tickets to \$5 million including merchandise prizes such as automobiles and trips. Examples include Monopoly, \$20,000 Taxes Paid, Double 8s, KC Royals. Ticket prices vary from \$1 to \$20.	MO Lottery	MO Lottery only offers one multi-state Scratchers game - Monopoly Jackpot. Other states are Ohio, Arizona, Missouri, Pennsylvania, New York, and Michigan. The states involved each develop their own Scratchers ticket (prize structure, etc.) and the only piece that is "shared" is the second chance piece. Each state enters into an agreement with MDI (a subsidiary of Scientific Games that also administers the Points for Prizes Program) and agrees to pay a fee for a certain number of in-state instant second chance prizes and an allocation towards a multi-state jackpot prize fee. There are no joint decisions; each state agrees to MDI's terms since MDI holds the license to the Monopoly trademark through Hasbro.
Draw Games: Multi-State			
Powerball	Powerball is a multi-state game providing nine ways to win cash prizes with jackpots starting at \$40 million. Second-level prizes of \$1 million and third-level prizes of \$10,000 are also offered. For \$2 a ticket, players select five different numbers from 1 to 59 and then choose a Powerball from 1 to 35. There is a Power Play option that allows winners to increase their prize amount for an extra \$1 fee. Drawings are held on Wednesdays and Saturdays.	The game is operated by the Multi-State Lottery Association (MUSL) in Des Moines, Iowa. Only the founding 33 members have voting rights, which includes Missouri.	Members of MUSL include Arizona, Arkansas, Colorado, Connecticut, D.C., Delaware, Florida, Hoosier, Idaho, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Minnesota, Missouri, Montana, Nebraska, New Hampshire, New Mexico, North Carolina, North Dakota, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Vermont, U.S. Virgin Islands, Wisconsin, West Virginia, and Wyoming.
Mega Millions	Mega Millions is a multi-state game with large jackpots, a large second prize, and a total of nine ways to win (just like Powerball). Players select five different numbers from 1 to 75 and then select one Mega Ball between 1 and 15. The jackpot starts at \$15 million and grows by a minimum of \$5 million each draw. Costs is \$1 with drawings on Tuesdays and Fridays.	The game is operated by the Multi-State Lottery Association (MUSL) in Des Moines, Iowa. Only the 11 original states having voting rights in the oversight and decision-making process. Missouri does not have a voting share.	44 states plus D.C. and the U.S. Virgin Islands. All states excluding Alaska, Hawaii, Nevada, Utah, Mississippi, and Alabama sell Mega Millions tickets.

<u>Lottery Game</u>	<u>Explanation</u>	<u>Decision-Making Authority</u>	<u>Other States Involved?</u>
In-State Draw Games			
Lotto	Lotto is the original in-state Draw Game. Jackpots start at \$1 million and grow until someone hits all six numbers. The game also offers three additional ways to win cash by matching 3, 4, or 5 of the 6 correct numbers. It costs \$1 for two plays with drawings held on Wednesdays and Saturdays.	Mo Lottery	None
Pick 3	Pick 3 is a daily cash Draw Game that offers multiple ways to play. Matching all three numbers in the correct order wins \$600. Other options include matching the three numbers (but not in order), matching two numbers (in order or not in order) and various combinations of being off by one or two digits from the three numbers drawn. Winnings range from \$600 to \$4 with the ticket prices being 50 cents or \$1.	Mo Lottery	None
Show Me Cash	The Show Me Cash jackpot starts at \$50,000 and rolls until someone wins. Average jackpots are around \$134,000. The jackpot increases by a minimum of \$5,000 each drawing until won. There are cash prizes for matching 2, 3, 4, or 5 of the 5 numbers drawn. Drawings are every day of the week. Prizes range from the jackpot down to \$1 for matching 2 of the 5 numbers drawn. Tickets are \$1 and an additional \$1 if the EZ Match feature is chosen.	Mo Lottery	None
Pick 4	Players can win from \$30 to \$6,000 on a \$1 play by matching a wide variety of numbers and combinations. Examples of ways to win include matching 2, 3 or 4 numbers in the exact order or any order drawn; and being off by 1, 2, 3 or 4 digits from the numbers drawn. Play costs 50 cents or \$1 with daily drawings held at 12:45 and 8:59 p.m.	Mo Lottery	None
Club Keno	Club Keno players can win up to \$100,000 in this Draw Game with 20 numbers drawn every four minutes. There are also additional features to the game such as a multiplier, bulls-eye, double bulls-eye, and progressive. Players choose how many different numbers "spots" they want to play from 1 to 10. Twenty numbers from a field of 1-80 are chosen randomly by a computer drawing held every four minutes. The more numbers you match, the more cash you win. This game is available at social environment locations like restaurants, bars, and fraternal organizations. Keno To Go is available at convenience stores and grocery locations. The maximum wager is \$200 with a minimum of \$2.	Mo Lottery	None
Triple Play	\$250K Triple Play is the newest Draw Game offered, with drawings held every Wednesday and Saturday. Players pick four numbers from 1 to 60 and mark them on the \$250K Triple Play slip for the first game. They will automatically receive an additional eight plays of four numbers each. These numbers are used for Games 2 and 3 and are always randomly selected by the terminal using Quick Pick. Each ticket has nine chances to win. The top prize is \$250,000 and a play costs \$2.	Mo Lottery	None
Pull Tabs	MO Lottery is currently piloting a pull tab program offering two games - American Dream for \$1 (with the top prize being \$540) and Blues 'n Bucks for 50 cents (with a top prize of \$270). Tickets are sold at fraternal organizations.	Pull tab contract decisions are currently being discussed by the product manager, vendor, and Executive Director.	None

Missouri Constitution
Article III
LEGISLATIVE DEPARTMENT
Section 39(b)

State lottery, authority to establish--lottery proceeds fund established, purpose.

Section 39(b). 1. The general assembly shall have authority to authorize a Missouri state lottery by law. If such legislation is adopted, there shall be created a "State Lottery Commission" consisting of five members who shall be appointed by the governor with the advice and consent of the senate and who may be removed, for cause by the governor and who shall be chosen from the state at large and represent a broad geographic spectrum with no more than one member chosen from each federal congressional district. Each member at the time of his appointment and qualification shall have been a resident of this state for a period of at least five years next preceding his appointment and qualification and shall also be a qualified elector therein and be not less than thirty years of age. No more than three members of the commission shall be members of the same political party. Members of the commission shall have three-year terms as provided by law. Members of the commission shall receive no salary but shall receive their actual expenses incurred in the performance of their responsibilities. The commission shall employ such persons as provided by law. The commission shall have the authority to join other states and jurisdictions for the purpose of conducting joint lottery games.

2. The money received by the Missouri State lottery commission from the sale of Missouri lottery tickets, and from all other sources, shall be deposited in the "State Lottery Fund", which is hereby created in the state treasury.

3. The monies received from the Missouri state lottery shall be governed by appropriation of the general assembly. Beginning July 1, 1993, monies representing net proceeds after payment of prizes and administrative expenses shall be transferred by appropriation to the "Lottery Proceeds Fund" which is hereby created within the state treasury and such monies in the lottery proceeds fund shall be appropriated solely for public institutions of elementary, secondary and higher education.

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4. A minimum of forty-five percent of the money received from the sale of Missouri state lottery tickets shall be awarded as prizes.

5. The commission shall have the authority to purchase and hold title to any securities of the United States government or its agencies and instrumentalities thereof for prizes, as provided by law.

6. Until July 1, 1993, any person possessing a department of revenue retail sales license as provided by law or any chartered civic, fraternal, charitable or political organization or labor organization shall be eligible to obtain a license to act as a lottery ticket sales agent except a license to act as an agent to sell lottery tickets shall not be issued to any person primarily engaged in business as a lottery ticket sales agent. Until July 1, 1993, the general assembly may impose additional qualifications on such persons to obtain a lottery ticket sales agent license as it deems appropriate. Until July 1, 1993, the commission is also authorized to sell lottery tickets at its office and at special events as provided by law. Beginning July 1, 1993, the general assembly shall enact laws governing lottery ticket sales.

7. Revenues produced from the conduct of a state lottery shall not be part of "total state revenues" as defined in sections 17 and 18 of article X of this constitution and the expenditure of such revenue shall not be an "expense of state government" under section 20 of article X of this constitution.

(Adopted November 6, 1984) (Amended August 2, 1988) (Amended August 4, 1992)

(1988) Lottery Commission may participate in multistate lottery. Tichenor v. Missouri State Lottery Commission, 742 S.W.2d 170 (Mo. banc 1988).

Missouri Lottery Statutory Provisions (Sections 313.200-313.351, RSMo)

Citation of law.

313.200. Sections 313.200 to 313.350 shall be known and may be cited as the "State Lottery Law".

(L. 1985 S.B. 44 § 1)

Effective 6-11-85

Definitions.

313.205. As used in sections 313.200 to 313.350, the following words and terms shall have the meanings ascribed to them in this section unless the context clearly requires otherwise:

- (1) "Commission" or "lottery commission", the three-member body appointed by the governor to manage and oversee the lottery and to appoint a director;
- (2) "Commissioner", one of the members of the lottery commission appointed by the governor pursuant to the provisions of sections 313.200 to 313.350;
- (3) "Director", the director of the state lottery appointed by the commission as the chief administrator of the state lottery;
- (4) "Division", the division of the state lottery authorized by sections 313.200 to 313.350;
- (5) "Lottery" or "state lottery", the state lottery established and operated pursuant to the provisions of sections 313.200 to 313.350;
- (6) "Lottery contractor" or "lottery vendor", a person with whom the division has contracted to provide goods or services for the state lottery;
- (7) "Lottery game" or "game", any procedure authorized by written rule of the commission whereby prizes are distributed among persons who have paid, or have unconditionally agreed to pay, for tickets or shares which provide the opportunity to win such prizes;
- (8) "Lottery game retailer", any person with whom the lottery commission has contracted to sell tickets or shares in lottery games to the public;

(9) "Person", any natural person, firm, corporation, or other legal entity possessing a department of revenue retail sales license, as provided by law.

(L. 1985 S.B. 44 § 2)

Effective 6-11-85

Commission established--offices--assignment to department.

313.210. The "State Lottery Commission" is hereby created. The commission shall control and manage the state lottery. The principal office of the commission shall be located in Jefferson City in quarters provided by the division of design and construction. That division shall also arrange for other needed office space for the commission or its staff. The commission shall be assigned to the department of revenue as a type III division, but the director of the department of revenue has no supervision, authority or control over the actions or decisions of the lottery commission or the director of the state lottery.

(L. 1985 S.B. 44 § 3)

Effective 6-11-85

Commission members--terms, qualifications--expense reimbursement.

313.215. The commission shall consist of five members appointed by the governor with advice and consent of the senate, no more than three of whom shall be of the same political party. Members shall be appointed for terms of three years except for the initial members, two of whom shall be appointed for a term of one year, two for a term of two years, and one for a term of three years. No person shall be appointed as a commissioner who has been convicted of a felony or gambling related offense. The commission shall elect one of its members as chairman of the commission. All appointments shall be made within thirty days after expiration of a term. Vacancies shall be filled within thirty days by the governor for the unexpired portion of the term. The governor may remove any commissioner for cause following a hearing. Commissioners shall not be compensated for their services, but shall be reimbursed for actual and necessary expenses incurred in the performance of their duties from the state lottery fund. Each member of the commission at the time of his appointment and qualification shall have been a resident of this state for at least five years next preceding his appointment and qualification and shall also be a registered voter and at least thirty years of age.

(L. 1985 S.B. 44 § 4, A.L. 1988 S.B. 643)

Effective 9-1-88

Rules and regulations--procedure generally, this chapter--background checks may be required, when.

313.220. 1. The commission shall promulgate such rules and regulations governing the establishment and operation of a state lottery as it deems necessary and desirable to fully implement the mandate of the people expressed in the approval of the lottery amendment to article III of the Missouri Constitution. Such rules and regulations shall be designed so that a lottery may be initiated at the earliest feasible and practicable time. No rule or portion of a rule promulgated under the authority of this chapter shall become effective unless it has been promulgated pursuant to the provisions of section 536.024.

2. The commission shall have the authority to require a fingerprint background check on any person seeking employment or employed by the commission, any person seeking contract with or contracted to the commission and any person seeking license from or licensed by the commission. The background check shall include a check of the Missouri criminal records repository and when the commission deems it necessary to perform a nationwide criminal history check, a check of the Federal Bureau of Investigation's criminal records file. Fingerprints shall be submitted to the Missouri criminal records repository as required. Notwithstanding the provisions of section 610.120, the commission shall have access to closed criminal history information when fingerprints are submitted.

(L. 1985 S.B. 44 § 5, A.L. 1988 S.B. 643, A.L. 1993 S.B. 52, A.L. 1995 S.B. 3, A.L. 2003 S.B. 294)

Commission meetings--quorum.

313.225. The commission shall meet at least quarterly in accordance with its rules therefor. No action of the commission shall be binding unless taken at a meeting at which at least three of the five members are present and shall vote in favor thereof.

(L. 1985 S.B. 44 § 6, A.L. 1988 S.B. 643)

Effective 9-1-88

Duties of commission--nepotism prohibited for employees of lottery and commission.

313.230. The commission shall:

(1) Issue rules and regulations concerning the operation of the Missouri state lottery. The rules and regulations shall include, but shall not be limited to, the following:

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- (a) The type of lottery to be conducted, except no lottery may use any coin- or token-operated amusement device and no lottery game shall be based in any form on the outcome of sporting events. However, it shall be legal to use clerk- or player-activated terminals, which are coin- or currency-operated, to dispense lottery tickets;
- (b) The price, or prices, of tickets or shares in the lottery;
- (c) The numbers and sizes of the prizes on the winning tickets or shares;
- (d) The manner of selecting the winning tickets or shares;
- (e) The manner of payment of prizes to the holders of winning tickets or shares;
- (f) The frequency of the drawings or selections of winning tickets or shares, without limitation;
- (g) The types or numbers of locations at which tickets or shares may be sold and the method to be used in selling tickets or shares;
- (h) The method to be used in selling tickets or shares;
- (i) The licensing of lottery game retailers to sell tickets or shares;
- (j) The manner and amount of compensation, including commissions, ticket discounts, incentives and any other remuneration, to be paid to or retained by lottery game retailers;
- (k) The apportionment of the total revenues accruing from the sale of lottery tickets or shares and from all other sources among:
 - a. The payment of prizes to the holders of winning tickets or shares;
 - b. The payment of costs incurred in the operation and administration of the lottery, including the expenses of the commission and the costs resulting from any contract or contracts entered into for promotional, advertising or operational services or for the purchase or lease of lottery equipment and materials;
 - c. For the repayment to the general revenue fund of any amount appropriated for initial start-up of the lottery; and
 - d. For timely transfer to the state lottery fund as provided by law;

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- (1) Such other matters necessary or desirable for the efficient and economical operation and administration of the lottery and for the convenience of the purchasers of tickets or shares and the holders of winning tickets or shares. The commission may disburse money for payment of lottery prizes;
- (2) Amend, repeal, or supplement any such rules and regulations from time to time as it deems necessary or desirable;
- (3) Advise and make recommendations to the director regarding the operation and administration of the lottery;
- (4) Report quarterly to the governor and the general assembly the total lottery revenues, prize disbursements and other expenses for the preceding quarter, and to make an annual report, which shall include a full and complete statement of lottery revenues, prize disbursements and other expenses, to the governor and the general assembly, and including such recommendations for changes in sections 313.200 to 313.350 as it deems necessary or desirable;
- (5) Report to the governor and general assembly any matters which shall require immediate changes in the laws of this state in order to prevent abuses and evasions of sections 313.200 to 313.350 or rules and regulations promulgated thereunder or to rectify undesirable conditions in connection with the administration or operation of the lottery;
- (6) Carry on a continuous study and investigation of the lottery throughout the state and to make a continuous study and investigation of the operation and the administration of similar laws which may be in effect in other states or countries, any literature on the subject which from time to time may be published or available, any federal laws which may affect the operation of the lottery, and the reaction of Missouri citizens to existing and potential features of the lottery with a view to recommending or effecting changes that will tend to serve the purposes of sections 313.200 to 313.350;
- (7) Ensure that all employees of the state lottery commission hired after July 12, 1990, shall not be related to any member of the state lottery commission or any employee of the state lottery commission within the third degree of consanguinity or affinity.

(L. 1985 S.B. 44 § 7, A.L. 1988 S.B. 643, A.L. 1990 S.B. 504, A.L. 1993 S.B. 215)

Director--appointment, qualifications, compensation.

313.235. The commission shall appoint a director. The director shall perform his duties subject to the direction of the commission. He may be removed by the commission for good cause shown after notice and an opportunity to be heard. He shall be qualified to direct the operations of a state-operated lottery. No person shall be appointed as lottery director who has been convicted of a felony or any gambling-related offense. The director shall receive a salary as set by the commission and subject to appropriation. He shall devote his entire time and attention to the duties of his office, and he shall not engage in any other profession or occupation.

(L. 1985 S.B. 44 § 8)

Effective 6-11-85

Duties of director.

313.240. The director shall, subject to the approval of the commission, perform all duties, exercise all powers, and assume and discharge all responsibilities to carry out the purpose of sections 313.200 to 313.350. The director shall act as secretary of the commission and keep all books, records, files and documents of the commission. The director shall supervise and administer the operation of the lottery in accordance with the provisions of sections 313.200 to 313.350 and the rules and regulations promulgated by the commission.

(L. 1985 S.B. 44 § 9)

Effective 6-11-85

Personnel--employment, qualifications, compensation.

313.245. The director shall employ such professional, clerical, technical and administrative personnel as may be necessary to carry out the provisions of sections 313.200 to 313.350. No person shall be employed by the lottery who has been convicted of a felony. Any person employed by the lottery in a management or policy-making position shall be a resident of this state or become a Missouri resident within six months of his appointment. Personnel shall be employed without regard to any political affiliation. Personnel shall receive a salary comparable to the salaries received by other state employees doing comparable duties.

(L. 1985 S.B. 44 § 10)

Effective 6-11-85

Budget preparation.

313.250. The director shall annually prepare and submit to the commission, for its approval, a proposed budget for the ensuing fiscal year, which budget shall present a complete financial plan setting forth all proposed expenditures and anticipated revenues of the state lottery.

(L. 1985 S.B. 44 § 11)

Effective 6-11-85

Licenses--issuance, suspension, revocation--allocation--qualifications of licensees--commission may sell tickets, when--bond.

313.255. 1. The director shall issue, suspend, revoke, and renew licenses for lottery game retailers pursuant to rules and regulations adopted by the commission. Such rules shall specify that at least ten percent of all licenses awarded to lottery game retailers in constitutional charter cities not within a county and constitutional charter cities with a population of at least four hundred fifty thousand not located wholly within a county of the first class with a charter form of government shall be awarded to minority-owned and -controlled business enterprises. Licensing rules and regulations shall include requirements relating to the financial responsibility of the licensee, the accessibility of the licensee's place of business or activity to the public, the sufficiency of existing licenses to serve the public interest, the volume of expected sales, the security and efficient operation of the lottery, and other matters necessary to protect the public interest and trust in the lottery and to further the sales of lottery tickets or shares. Lottery game retailers shall be selected without regard to political affiliation.

2. The commission may sell lottery tickets at its office and at special events.

3. The commission shall require every retailer to post a bond, a bonding fee or a letter of credit in such amount as may be required by the commission, and upon licensure shall prominently display his license, or a copy thereof, as provided in the rules and regulations of the commission.

4. All licenses for lottery game retailers shall specify the place such sales shall take place.

5. A lottery game retailer license shall not be assignable or transferable.

6. A license shall be revoked upon a finding that the licensee:

(1) Has knowingly provided false or misleading information to the commission or its employees;

(2) Has been convicted of any felony; or

(3) Has endangered the security of the lottery.

7. A license may be suspended, revoked, or not renewed for any of the following causes:

(1) A change of business location;

(2) An insufficient sales volume;

(3) A delinquency in remitting money owed to the lottery; or

(4) Any violation of any rule or regulation adopted pursuant to this section by the commission.

(L. 1985 S.B. 44 § 12, A.L. 1988 S.B. 643)

Effective 9-1-88

Restrictions for licensees.

313.260. 1. No license shall be issued to any person to engage in business primarily as a lottery game retailer.

2. No person shall be licensed as a lottery game retailer who:

(1) Has been convicted of a felony;

(2) Is or has been a professional gambler or gambling promoter;

(3) Has been convicted of bookmaking or any other form of illegal gambling;

(4) Has been convicted of a crime involving fraud or misrepresentation;

(5) Has purchased a federal tax stamp for wagering or gambling activity;

(6) Has been convicted of or pleaded nolo contendere to any illegal gambling activity;

(7) Has had his ticket retailer's license revoked by the commission;

- (8) Is a lottery contractor or lottery vendor;
- (9) Is an employee of the commission or any spouse, child, brother, sister, or parent of an employee of the commission; or
- (10) Is under the age of twenty-one;
- (11) Is a firm, corporation or organization in which a person defined in subdivision (1), (2), (3), or (4) of this subsection is to participate in the management or sales of lottery tickets or shares.

(L. 1985 S.B. 44 § 13)

Effective 6-11-85

Denial of license, grounds--cause to be cited.

313.265. No person otherwise qualified under the provisions of sections 313.200 to 313.350 shall be denied a license as a lottery game retailer except for cause or for refusal to acquire such equipment and materials or meet such minimum sales requirements as the commission may deem necessary for a person to conduct a lottery game on his business premises. The reason for denial of a license shall be specified in writing by the commission.

(L. 1985 S.B. 44 § 14)

Effective 6-11-85

Purchase of goods and services--minority contracts, expiration date-- investigation costs--bond--termination of vendor's contract.

313.270. 1. The director, pursuant to rules and regulations issued by the commission, may directly purchase or lease such goods or services as are necessary for effectuating the purposes of sections 313.200 to 313.350, including procurements which integrate functions such as lottery game design, supply of goods and services, and advertising. The lottery commission by approved rule may purchase goods made in the United States and sold by a Missouri business to be given away as prizes within the provisions of section 313.321. Contracts shall be awarded to lottery contractors or lottery vendors on the basis of lowest and best bid on an evaluated basis in order to maximize revenues to the lottery fund. The director may also utilize state purchasing procedures. The director shall award at least ten percent of the aggregate dollar amount of all contracts to provide goods and services to the lottery to minority business enterprises as defined by the office of administration and shall award at least five percent of the aggregate dollar amount of all contracts to provide goods and

services to the lottery to women business enterprises as defined by the office of administration. No contract awarded or entered into by the director may be assigned by the holder thereof except by specific approval of the commission.

2. Any contract awarded to any lottery contractor or vendor shall provide that such contractor or vendor shall award a minimum of ten percent of his subcontracted business to minority business enterprises as defined by the office of administration and shall award a minimum of five percent of his subcontracted business to women business enterprises as defined by the office of administration. This section shall not apply to multistate lottery.

3. Any lottery vendor which enters into a contract to supply lottery materials, services or equipment for use in the operation of the state lottery shall first disclose such information as the commission may require, by rule and regulation, concerning the selection of lottery vendors.

4. The costs of any investigation into the background of the applicant seeking a contract shall be assessed against the applicant and shall be paid by the applicant at the time of billing by the state.

5. Performance bonds shall be posted by each contractor with the commission with a surety acceptable to the commission in an amount as may be required by the commission, but not to exceed the expected total value of the contract. The contract of any lottery contractor who does not comply with such requirements may be terminated by the commission. The commission may terminate the contract of any lottery vendor who:

(1) Is convicted of any felony;

(2) Is convicted of any gambling-related offense;

(3) Is convicted of any crime involving fraud or misrepresentation;

(4) Fails to comply with the rules and regulations of the commission existing at the time the contract was entered into; or

(5) Fails to periodically update any disclosure requirements.

6. The provisions in this section requiring that certain percentages of lottery contracts and subcontracts be awarded to businesses owned and controlled by women or ethnic and racial minorities shall expire on January 1, 2005.

Expiration date: 1-01-05 for certain contracts

Financial interests and gifts prohibited.

313.275. 1. No member of the commission or employee of the commission, including the director, and no member of their immediate families, shall have any personal pecuniary interest in any lottery or in the sale of any lottery tickets or shares or in any corporation, association, or firm contracting with the state to supply gaming equipment or materials for use in the operation of the lottery or in any corporation, association, or firm licensed as a lottery game retailer.

2. No member of the commission or employee of the commission, including the director, and no member of their immediate families, shall receive any gift, gratuity, or other thing of value from any person, corporation, association, or firm contracting with the state to supply gaming equipment or materials for use in the operation of the lottery or from any person, corporation, association, or firm licensed as a lottery game retailer.

3. No member of the commission or employee of the commission, including the director, and no member of their immediate families, shall be eligible to receive any prize awarded in such a lottery.

4. No person, firm, association, or corporation contracting to supply gaming equipment or materials to the state for use in the operation of the state lottery shall be directly connected with any person, firm, association, or corporation licensed as a lottery game retailer or a member of the commission, the director or its employees.

(L. 1985 S.B. 44 § 16)

Effective 6-11-85

Sale of tickets to minors.

313.280. No ticket or share shall be sold to any person under the age of eighteen, but this shall not be deemed to prohibit the purchase of a ticket or share for the purpose of making a gift by a person eighteen years of age or older to a person less than that age. The license of any licensee who knowingly sells or offers to sell a lottery ticket or share to any person under the age of eighteen shall be suspended or forfeited as prescribed by the rules adopted by the commission.

(L. 1985 S.B. 44 § 17)

Effective 6-11-85

Prizes not assignable except to revocable living trusts or personal custodian, requirements--death of prize winner, how prize is paid.

313.285. 1. No prize, nor any portion of a prize, nor any right of any person to a prize awarded shall be assignable, except that a prize may be paid for the use and benefit of the prize winner to the trustee of a revocable living trust established by the prize winner or a personal custodian appointed by the prize winner under the Missouri personal custodian law, chapter 404. The prize winner's request to the director that payment be made to a trustee or personal custodian shall be submitted in a notarized letter together with a copy of the trust or written agreement with the personal custodian.

2. Any prize or portion thereof remaining unpaid at the death of a prize winner shall be paid as follows:

(1) To the estate of the deceased prize winner;

(2) To the trustee under a revocable living trust established by the deceased prize winner as settlor, provided that a copy of the trust has been filed with the director along with a notarized letter of direction from the settlor and no written notice of revocation has been received by the director prior to the settlor's death; or

(3) To the surviving beneficiaries shown in a written beneficiary designation that has been executed by the prize winner and submitted to the director before the prize winner's death. If a trustee is named a beneficiary, a copy of the will or instrument creating the trust shall be filed with the director before payment is made to the trustee.

3. Notwithstanding any other provision of this section, any person pursuant to an appropriate judicial order may be paid the prize to which the winner is entitled. The commission and the director shall be discharged of all further liability upon payment of a prize pursuant to this section. Any ticket or share may be purchased by two or more persons and any prize payable therefor shall be made in accordance with the ownership percentages of such ticket or share.

4. A beneficiary designation submitted by a prize winner is revocable by the beneficiary during lifetime and is governed by the nonprobate transfers law, chapter 461. The rules provided in section 461.062 shall apply in addition to any rules adopted by the director and approved by the commission that are made a part of the beneficiary designation.

5. Persons who begin to receive payment of the prize after the prize winner's death shall be treated as the prize winner for the purpose of this section and may provide for

disposition of any portion of the prize remaining unpaid at their death by will, trust or beneficiary designation.

(L. 1985 S.B. 44 § 18, A.L. 1990 S.B. 504, A.L. 1993 S.B. 215)

Ticket or share prices fixed--counterfeiting prohibited--penalty.

313.290. 1. No person shall sell a ticket or share at a price other than that fixed by rule or regulation of the commission. No person other than a licensed lottery game retailer shall sell lottery tickets or shares, but nothing in this section shall be construed to prevent any person from giving lottery tickets or shares to another as a gift. Any violation of this section is a class A misdemeanor.

2. Any person who falsely or fraudulently makes, forges, alters or counterfeits, or causes or procures to be made, forged, altered or counterfeited, any state lottery ticket, or any part thereof, or who knowingly and willfully utters, publishes, passes or tenders as true, any forged, altered or counterfeited state lottery ticket is guilty of a class C felony. Any person who with intent to defraud secures, manufactures, or causes to be secured or manufactured, or has in his possession any counterfeit state lottery ticket or device, is guilty of a class D felony.

(L. 1985 S.B. 44 § 19)

Effective 6-11-85

Payment of prizes to minors and disabled adults under personal custodian law.

313.295. 1. If the person entitled to a prize, or payment of the prize after the prize winner's death, is* under the age of eighteen years or is a disabled adult person, the payment of the prize shall be made by delivery of a check or draft payable to the order of the minor's or disabled adult person's conservator, if any.

2. If the minor or disabled adult person does not have a conservator, payments not over ten thousand dollars may be made to a guardian, an adult member of the person's family or a financial institution as custodian for the minor under the Missouri transfers to minors law, or as custodian for the disabled adult person under the Missouri personal custodian law. If the payment is over ten thousand dollars and is not paid to a conservator, trustee or personal custodian designated by the prize winner, or a financial institution, the approval of the probate division of the circuit court shall first be obtained for any payment to a custodian, under subsection 3 of section 404.031, for minors and subsection 2 of section 404.490 for disabled adult persons, and payment shall be made in accordance with the court's order.

3. The commission and the director shall be discharged of all further liability upon payment of a prize to a minor or disabled adult person pursuant to this section.

(L. 1985 S.B. 44 § 20, A.L. 1993 S.B. 215)

*Word "if" appears in original rolls, an apparent typographical error.

Unclaimed prizes--moneys to revert to state lottery fund.

313.300. Unclaimed prize money shall be retained by the commission for the person entitled thereto for one hundred eighty days after the time at which the prize was awarded. If no claim is made for the prize within one hundred eighty days, the prize money shall be reverted to the state lottery fund.

(L. 1985 S.B. 44 § 21, A.L. 1988 S.B. 643, A.L. 2002 S.B. 1248, A.L. 2007 S.B. 613 Revision)

Duties of attorney general and highway patrol.

313.310. 1. The attorney general shall provide legal services for the commission. The attorney general shall make reasonable efforts to ensure that there is continuity in the legal services provided, and that the attorneys providing legal services to the commission have expertise in such field. No counsel outside the attorney general's office shall be employed to provide legal services for the commission or director without the expressed approval of the attorney general. The attorney general may hire any expert counsel necessary to protect the state's interest.

2. The commission or director may request that the attorney general make investigations, on behalf of and in the name of the commission, and bring suits or institute proceedings for any of the purposes necessary and proper for carrying out the functions of the division.

3. The Missouri state highway patrol, including the division of drug and crime control, shall have authority to make investigations relative to the operation and administration of Missouri gaming operations as authorized by law and to report suspected violations of state law or federal law to the proper prosecuting authorities. In the event that a violation of state law is reported to the proper prosecuting authority and no prosecution is commenced within thirty days for alleged violations, the attorney general shall have authority to commence prosecution for alleged violations of the state lottery law or other criminal statutes alleged to have been violated. The cost of personnel and related expenses in the Missouri state highway patrol, including the division of drug and crime control, to accomplish the purposes of this section shall be paid within the limits of appropriations from general revenue, or from such other funding as may be authorized by the general assembly.

(L. 1985 S.B. 44 § 23, A.L. 1988 S.B. 643)

Effective 9-1-88

Duties of state auditor--other audits--reports to be filed.

313.315. 1. The state auditor shall conduct a biennial audit of all accounts and transactions of the state lottery pursuant to section 29.200 and such other special audits as he may deem necessary. The auditor or his agents conducting an audit shall have access and authority to examine any and all records of the commission, its distributing agencies, lottery vendors or lottery ticket sales agents that relate to the operation, administration, or promotion of the lottery.

2. The commission shall employ an independent firm of accountants to conduct an annual audit of all accounts and transactions of the lottery. Expenses for conducting an audit pursuant to this subsection shall be paid from the state lottery fund.

3. All audit reports shall be presented to the general assembly pursuant to section 181.100 and to the commission, the governor, the commissioner of administration, the state treasurer, attorney general, and the state auditor.

(L. 1985 S.B. 44 § 24)

Effective 6-11-85

State lottery fund, established--distribution of funds--imprest prize fund, created, uses--collection, investment, use of lottery funds--taxation, set-off of prizes, when--restrictions for licensees.

313.321. 1. The money received by the Missouri state lottery commission from the sale of Missouri lottery tickets and from all other sources shall be deposited in the "State Lottery Fund", which is hereby created in the state treasury. At least forty-five percent, in the aggregate, of the money received from the sale of Missouri lottery tickets shall be appropriated to the Missouri state lottery commission and shall be used to fund prizes to lottery players. Amounts in the state lottery fund may be appropriated to the Missouri state lottery commission for administration, advertising, promotion, and retailer compensation. The general assembly shall appropriate remaining moneys not previously allocated from the state lottery fund by transferring such moneys to the general revenue fund. The lottery commission shall make monthly transfers of moneys not previously allocated from the state lottery fund to the general revenue fund as provided by appropriation.

2. The commission may also purchase and hold title to any securities issued by the United States government or its agencies and instrumentalities thereof that mature within the term of the prize for funding multiyear payout prizes.

3. The "Missouri State Lottery Imprest Prize Fund" is hereby created. This fund is to be established by the state treasurer and funded by warrants drawn by the office of administration from the state lottery fund in amounts specified by the commission. The commission may write checks and disburse moneys from this fund for the payment of lottery prizes only and for no other purpose. All expenditures shall be made in accordance with rules and regulations established by the office of administration. Prize payments may also be made from the state lottery fund. Prize payouts made pursuant to this section shall be subject to the provisions of section 143.781. Prize payouts made pursuant to this section shall be subject to set off for:

(1) Delinquent child support payments as assessed by a court of competent jurisdiction or pursuant to section 454.410;

(2) Unpaid health care services provided by hospitals and health care providers under the procedure established in section 143.790; and

(3) Unpaid debts to a county jail as provided under section 221.070 and pursuant to the procedure established in section 488.5028.

4. Funds of the state lottery commission not currently needed for prize money, administration costs, commissions and promotion costs shall be invested by the state treasurer in interest-bearing investments in accordance with the investment powers of the state treasurer contained in chapter 30. All interest earned by funds in the state lottery fund shall accrue to the credit of that fund.

5. No state or local sales tax shall be imposed upon the sale of lottery tickets or shares of the state lottery or on any prize awarded by the state lottery. No state income tax or local earnings tax shall be imposed upon any lottery game prizes which accumulate to an amount of less than six hundred dollars during a prize winner's tax year. The state of Missouri shall withhold for state income tax purposes from a lottery game prize or periodic payment of six hundred dollars or more an amount equal to four percent of the prize.

6. The director of revenue is authorized to enter into agreements with the lottery commission, in conjunction with the various state agencies pursuant to sections 143.782 to 143.788, in an effort to satisfy outstanding debts to the state from the lottery winning of any person entitled to receive lottery payments which are subject to federal withholding. The director of revenue is also authorized to enter into

agreements with the lottery commission in conjunction with the department of health and senior services pursuant to section 143.790 in an effort to satisfy outstanding debts owed to hospitals and health care providers for unpaid health care services of any person entitled to receive lottery payments which are subject to federal withholding.

7. In addition to the restrictions provided in section 313.260, no person, firm, or corporation whose primary source of income is derived from the sale or rental of sexually oriented publications or sexually oriented materials or property shall be licensed as a lottery game retailer and any lottery game retailer license held by any such person, firm, or corporation shall be revoked.

(L. 1986 H.B. 1652, A.L. 1988 S.B. 643, A.L. 2007 H.B.818, A.L. 2013 S.B. 42)

Commission may contract operation of lottery to private organization, how.

313.322. Notwithstanding the provisions of sections 313.200 to 313.350, the lottery commission may contract the operation of the state lottery and any multistate lottery to a private organization on the basis of public bids, the best bid being to the organization which, under bond, can guarantee the state the highest return to the general revenue fund or public expenditure funds as may be designated in sections 313.200 to 313.350.

(L. 1988 S.B. 643)

Effective 9-1-88

Commission may subpoena records and witnesses--failure to obey.

313.325. The commission may issue subpoenas to compel the attendance of witnesses and the production of documents, papers, books, records and other evidence before it in any matter over which it has jurisdiction, control or supervision. The commission may administer oaths and affirmations to persons whose testimony is required. If a person subpoenaed to attend in any such proceeding or hearing fails to obey the command of the subpoena without reasonable cause, or if a person in attendance in any such proceeding or hearing refuses, without lawful cause, to be examined or to answer a legal or pertinent question or to exhibit any book, account, record or other document when ordered so to do by the commission, the commission may apply to any judge of the circuit court, upon proof by affidavit of the facts, for an order returnable in not more than ten days, or as the court shall prescribe, directing such person to show cause before the court why he should not comply with such subpoena or such order. Upon return of the order, the court before whom the matter shall come on for hearing shall examine such person under oath, and if the court shall determine,

after giving such person an opportunity to be heard, that he refused without legal excuse to comply with such subpoena or such order of the director, the court may order such person to comply therewith forthwith and any failure to obey the order of the court may be punished as a contempt of the court.

(L. 1985 S.B. 44 § 26)

Effective 6-11-85

Constitutional prohibition construed--no denial of liquor license.

313.340. 1. Notwithstanding any other provision of law to the contrary, participation by a person, firm, corporation or organization in any aspect of the state lottery in accordance with sections 313.200 to 313.350 shall not be construed to be a lottery or gift enterprise in violation of article III, section 39 of the Constitution of Missouri.

2. The sale of lottery tickets or shares in accordance with sections 313.200 to 313.350 shall not constitute a valid reason to refuse to issue or renew or to revoke or suspend any license or permit issued under the provisions of chapter 311.

(L. 1985 S.B. 44 § 29, A.L. 2009 H.B. 132)

Licenses and contracts may be denied to persons owing debt to state.

313.345. No license or contract shall be granted to any person in default in the payment of any obligation or debt due the state, provided no applicant shall be deemed in default in the payment of any obligation or debt due to the state as long as there is pending a hearing of any kind relevant to such matter.

(L. 1985 S.B. 44 § 30)

Effective 6-11-85

Venue for civil actions--advancement on docket.

313.350. Any civil action brought on any question in connection with the lottery shall be filed in the circuit court of Cole County, and all such suits shall be given priority and advanced on the court docket and shall be heard and decided by the court as quickly as possible.

(L. 1985 S.B. 44 § 31)

Effective 6-11-85

Lottery commission to submit plan, how approved.

313.351. Prior to implementing any plan to allow state lottery prize winners who are currently receiving annuity payments to receive a single cash payment in lieu of remaining annuity payments, the state lottery commission shall submit to the president pro tempore of the senate, the speaker of the house of representatives, and the commissioner of the office of administration the details of the plan and its estimated effect on the level of total state revenues as defined in article X, section 17 of the Missouri Constitution as well as the benefits of allowing financial institutions which are FDIC insured to participate in such plan. No such plan which permits the option of receiving a single cash payment in lieu of remaining annuity payments shall be implemented unless approved by the general assembly by concurrent resolution and submitted to the governor in accordance with the provisions of article IV, section 8 of the Missouri Constitution.

(L. 1999 S.B. 386 § 3)

CROSS REFERENCE:

Commission may allow pre-October 22, 1998, lottery winners receiving annual payments to elect to receive a single cash payment, expiration date.